

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ

COMMITTEE OF PUBLIC ACCOUNTS

Déardaoin, 10 Deireadh Fómhair 2019

Thursday, 10 October 2019

The Committee met at 9 a.m.

MEMBERS PRESENT:

Deputy Bobby Aylward,	Deputy Alan Kelly,
Deputy Peter Burke,	Deputy Marc MacSharry,
Deputy Shane Cassells,	Deputy Imelda Munster,
Deputy David Cullinane,	Deputy Catherine Murphy,
Deputy Pat Deering,	Deputy Kate O'Connell.

DEPUTY SEAN FLEMING IN THE CHAIR.

Mr. Seamus McCarthy (*An tArd Reachtaire Cuntas agus Ciste*) called and examined.

Business of Committee

Chairman: We are joined by the Comptroller and Auditor General, Mr. Seamus McCarthy, who is a permanent witness at the committee. He is joined by Mr. John Crean, deputy director of audit. Apologies have been received from Deputy Catherine Connolly.

Are the minutes of 26 September and 3 October agreed? Agreed. One matter arises from those minutes and I will deal with it as part of the work programme.

I shall now deal with correspondence. There are three categories of correspondence. I will start with category A. No. 2429 and No. 2439 from the National Transport Authority are briefing documents and opening statements for today's meeting. We will note and publish these. Is that Agreed? Agreed.

Category B is from Accounting Officers or Ministers that follow up to PAC meetings and other items. No. 2348 from Mr. Martin Whelan, head of public affairs and communications, National Treasury Management Agency, NTMA, providing information requested by the committee as follows: the NTMA's voluntary redundancy and retention schemes; the timetable agreed with the Central Bank and European Central Bank on the exchange of promissory notes for debt on the open market; details regarding gross national debt; how Apple records the escrow fund in its annual accounts, which we had dealt with just before the summer; clarification on the NTMA's policy with regard to investment in nuclear weapons; and the jobs supported by the NTMA and the Strategic Banking Corporation of Ireland, SBCI, including the number of jobs supported, a breakdown by category, region and company size and whether this support takes the form of a grant to individual organisations. This is the essence of why we held over the previous correspondence from the Strategic Banking Corporation of Ireland, No. 2342. We had asked for that figure from SBCI, which came back with a breakdown of the employment in supports to small and medium sized enterprises supported by SBCI showing 148,735 people. We knew this figure was not the jobs directly created and that it related to the total employment in the companies. This correspondence from the NTMA deals with that and gives the total job numbers at 32,069, broken down by region. It is a much more realistic figure. It is an ongoing issue with regard to State bodies with double, treble, quadruple and multiple counting of the same jobs and the same employments in the figures of those they say they actually support. We now have a more accurate figure. We had been holding this correspondence over until the committee saw this clarification. Part of this correspondence includes notes on rent paid by the NTMA and any sister companies and the cost to the NTMA for its new premises. We will note and publish this correspondence. People are free to comment on that. It will be on the public record for today.

Deputy Catherine Murphy: I wish to raise one issue on the national debt with regard to the chart on page 3 of the correspondence. I am aware that a lot of it has been refinanced and that some of this is short term, but a sizeable amount is at very high interest rates, especially when one considers the current negative interest rates. One is almost paying banks to hold money now. Some of this is at 4%, 5% and 6%. I know that some of the debt is legacy and some of it is probably longer term, but I had expected to see the profile of this being lower. There are, however, sizeable chunks that are at the higher rate.

Chairman: The Committee of Public Accounts has performed a useful service here today by putting this information into the public arena. We are all hearing that the banks are having to raise funds at a negative interest rate or at 1% or 2%, and with the gross national debt in the region of €200 billion some people might think it is only costing €2 billion or €3 billion to pay it off, but it is costing some €5 billion because there is older debt too, a substantial amount of which we are paying 5% and 6% on. While funds raised recently come in at a very cheap rate, we also have the more expensive debt with a longer-term maturity date. The banks are not in a position to change that rate. The people who gave us the money at that rate are entitled to get that rate, and they are not going to forgo their income.

Mr. Seamus McCarthy: They are fixed rates. Previously, the chief executive has explained that while they are turning over debt and refinancing there is still a drag from these higher rates that go back six to ten years.

Deputy Catherine Murphy: It is well explained in the document.

Chairman: The Deputy is right.

Deputy Catherine Murphy: It is useful to see it and get an understanding of it.

Chairman: It is not information that is normally published but it gives a fuller and more accurate picture of the interest charged on the national debt and this committee will put that information out there today, having received it from the NTMA following specific queries from the committee. It is good to put that out there. It will take quite a while for some of that older debt to work its way through the system. The other side of it is that the banks probably have cash reserves, possibly of €20 billion or €30 billion, on which they are gaining very little interest on. There is a balance to be achieved between how much they should hold at a low rate versus some of the older debt. They manage it as best they can but it is not as simple as some people think.

Mr. Seamus McCarthy: It is my understanding that the build up in cash was in anticipation of having to refinance later in the year. Effectively they borrowed early against loans they had to redeem. There is also an element of ensuring sufficient liquidity in the system in the event of a hard Brexit or unknown developments around that.

Chairman: It is an issue we come back to every year. Perhaps some people find it the boring part of our business, but when there is €5 billion going out of the Exchequer every year it is still a big chunk of it.

Deputy Catherine Murphy: We have a national debt in excess of €200 billion so it is not something we should take our eyes off.

Chairman: Exactly. We will note and publish that useful information.

No. 2417 from Mr. Brendan Gleeson, Secretary General, Department of Agriculture, Food and the Marine, provides information requested by the committee regarding the oversight arrangements for funding to Horse Sport Ireland. We have asked for this information but through some minor administrative hiccup the correspondence has only issued from the Department now. We will note and publish this item. It is an older query.

Deputy Imelda Munster: I have an observation on that. The figure of €4 million for funding for next year is a lot of money for one sport, given that there is a lot of money in that sport. Is Horse Sport Ireland due into this committee any time soon?

Chairman: The Department of Agriculture, Food and the Marine give the funding to Horse Sport Ireland and to Bord na gCon.

Deputy Imelda Munster: They are due.

Chairman: They are on the schedule for 24 October, so they will be coming very soon. A chapter of the report from the Comptroller and Auditor General is about forestry, but what Deputy Munster has referred to will also form part of our meeting in two weeks time.

Deputy David Cullinane: I will add one small point to that. Further down into the letter reference is made to the Indecon international consultants' report commissioned in 2016. Three years on and Horse Sport Ireland is still talking about the structure and the organisational changes that were recommended. Why does it take three years to implement the changes? One point made is that the new board is close to finality and they are looking for a Northern Ireland representative, and a smaller board was also recommended. In any event, it is three years later. Perhaps the committee could write back to them when the new board is in place to ask for a timeline.

Chairman: Is the Deputy referring to Horse Racing Ireland?

Deputy David Cullinane: No. It is Horse Sport Ireland.

Chairman: The committee will write to Horse Sport Ireland and ask about the Indecon report.

Deputy David Cullinane: We could ask what is the delay in implementing the report, why it has taken three years, and whether there are timelines for delivery of the recommendations contained in the report.

Deputy David Cullinane: It is the Department.

Chairman: It is the Department of Agriculture, Food and the Marine.

Deputy David Cullinane: It was commissioned by the Department.

Chairman: Yes. We will put the officials from the Department on notice that the matter will be discussed when they are here in two weeks' time.

Deputy David Cullinane: I thank the Chairman.

Chairman: No. 2419 is correspondence from Mr. Maurice Buckley, chairman, Office of Public Works, OPW, providing further information requested by the committee in respect of the Kevin Street Garda divisional headquarters project. Negotiations between the OPW and the contractor have been referred by the contractor for conciliation. The letter states that it is not possible at this stage to provide the committee with a firm date as to when this process will be finally concluded. There is obviously quite a dispute going on there. We will note and publish that.

Deputy Catherine Murphy: We are back to something here that we have talked about on numerous occasions, namely, process. Having a fixed-price contract and nailing down all of the details of what we are going to build in advance is how we avoid overruns. It is not just about conciliation, it is about how these extra costs occur in the first instance. What was the nature of the tender? Why are we not opting for fixed-price tendering that provides certainty? Why

are we not anticipating within the specification just exactly what it should contain in advance? We were through this with the national children's hospital about add-ons and that is where the extra costs and overruns occur. How this occurred would be a question for this committee in terms of how it was tendered. We are now at a point where there has to be conciliation but it is clear there is going to be an overrun. Can we see what we can find out about it? What was the nature of the tender and why were the issues that generated this cost not contained in the original tender document?

Chairman: The OPW is scheduled to appear before the committee. It is on our list.

Deputy Catherine Murphy: When do we learn?

Chairman: I know people will think I am critical but every year we have a couple of issues in respect of the OPW. I know it does great work but in terms of getting the figures and budgets right, we have had several issues. I refer to the Department of Health moving to Miesian Plaza and several other issues. Here we go again. I am not criticising the quality of the OPW's work but it does not seem to have a good financial management system in place.

Mr. Seamus McCarthy: Obviously, there are risks associated with projects. To get a fixed-price contract in a greenfield site where parties have nailed down exactly what it is they want to build is relatively simple and a contractor will give a fixed price in respect of that. However, if there are any design changes or if there are site difficulties that were not foreseen, that creates a space for a dispute and for extra claims. Even with a fixed-price contract, it is not the case that the contractor is carrying all of the risks associated with it and it is at his or her expense. It creates space for negotiation and that is where cost overruns creep in.

Chairman: In fairness, it is a city centre site and one just does not know what one is going to meet in the ground.

Mr. Seamus McCarthy: Archaeologically, or there could be a spring underground or whatever.

Chairman: We understand that it is a difficult site.

Mr. Seamus McCarthy: Similar issues came up in respect of the capital projects in third level, on which the committee has a special report and to which the Chairman has indicated the committee will return. It ties in as well with the experience with the children's hospital.

Deputy David Cullinane: This matter goes beyond the OPW. It goes back to the discussions we had with the Department of Public Expenditure and Reform in respect of the national children's hospital, although we could not really focus on that. It was a wider discussion on all of the Department's projects. Deputy Catherine Murphy talks about process and fixed-price contracts. I agree with the Comptroller and Auditor General that there is an element of risk with any project and there is always the potential for a cost overrun. However, what we need to be looking at is whether we are good in the public sector at capturing the risks. The Comptroller and Auditor General does this to some extent when he does special reports and looks at the start of the project to its conclusion. There are matters we may not be able to foresee but what we have seen in some of these projects are things that could have been spotted. We then see bespoke arrangements being put in place like the children's hospital, where there was a different type of system in the context of how it was rolled out. At the design stage, we should be capturing all of the risks. That is what this committee needs to be examining, the process from start to finish and the different types of processes, tendering projects and so on. There seems

to be a drift in recent times towards more bespoke arrangements that have not worked. I do not know where we go with it. As a matter of interest, was this project in compliance with the public procurement guidelines or is it one of those that was not?

Mr. Seamus McCarthy: As far as I can recall, yes, it was. We do not have any difficulty with that. It was tendered and placed.

Deputy David Cullinane: If we come across an overrun or difficulties with any contract that was outside compliance, that is really when we should be going hard on it.

Chairman: The OPW is scheduled to come in and it is in here every year. We will specifically deal with this matter at that time. We note and publish that letter.

No. 2427 is from Mr. Robert Watt, Secretary General, Department of Public Expenditure and Reform, providing a response to our request for further information regarding the public services card. We requested the following information: a list of all public bodies that are considering using, or have made the decision to use, the public services card to date and whether the use of the card may be impacted upon by the commission's final investigation report. There is also an information note outlining what stage the public services card project is at in each of the public bodies. Related correspondence is No. 2441, which is also from Mr. Watt. It refers the committee to the Department of Employment Affairs and Social Protection in the context of obtaining a copy of the business case in respect of the public services card. We asked the Department of Public Expenditure and Reform to give us a list of the public bodies and what stage the project was at in the various public bodies. His letter came back and made no reference whatever to the letter we wrote. He wanted to explain how wonderful the public services card is and that there is a high acceptance rate among many people who use it. He specifically says that despite some attempts of some sectors of the media to suggest otherwise, it is clear that the public are hugely supportive of this particular issue. He told us what people know - why we want the card - but he made zero effort to answer the question of the Committee of Public Accounts in respect of the organisations. He does say in his subsequent email that we should get a copy of the business case for the public services card from the Department of Employment Affairs and Social Protection, which we will do, and maybe it can answer the question.

Mr. Seamus McCarthy: When we previously looked at the public services card, the difficulty was that there was not a single document. In order to piece together what it was that they were trying to achieve with the public services card, we were looking at various documents, various memos for Government, planning documents and contract documents. There is not a single document in existence that I am aware of that sets out the full business case.

Chairman: We will write back to Mr. Watt and ask him to provide the information. His Department is over the public service in general. If he has to consult other Departments and Secretaries General in order to obtain the full information, so be it. We want him to supply that information to us. We have asked a simple question. Many organisations are using it. We have not got the answer. We need an answer to that and Mr. Watt or whoever is working with him has to provide the information.

Deputy David Cullinane: The response itself is unsatisfactory, not only in terms of not answering the questions but in the way in which the response came. It was a terrible response. He cites the United Nations, which has no statutory functions at all in the context of data protection. From what I can see, he has ignored the Data Protection Commissioner, who has such functions. When she was here, the Data Protection Commissioner made it clear that she does

not provide an opinion or point of view, she provides rulings. Her point was that the public service is only now catching up on her remit and getting a fuller appreciation of her role. It is a quasi-judicial force, but that does not come across in the response we received from Mr. Watt. There is a great deal of learning to be done by the public service on the role of the Data Protection Commissioner. The response we got back is another example of that. I agree, therefore, that we should write back to Mr. Watt to emphasise again the questions we put and the answers we want. We are not seeking an appraisal from him on how wonderful the public services card is for users. We were not asking that question.

Deputy Catherine Murphy: The response does not answer the primary question the Chairman put. In fact, we are trying to piece that information together. Mr. Watt did not address, for example, the lawful use of the card. The report of the Data Protection Commissioner was very interesting in that it highlighted the fact that while the chip on the card has to be read, the technology to do so is not in place in some of the bodies that would be using the card to update people's information. The report identified many issues and was comprehensive. I wonder whether people were asked about them in the satisfaction survey. They presumed the card was an enabler whereas the Data Protection Commissioner drew attention to the fact that it was the opposite. It was about delaying or denying services, with a number of examples provided in that regard.

We need a digital strategy. Most members here agree. However, it must be underpinned by law and cannot be something that happens by way of creep. It is not acceptable that the Department cannot answer the questions we ask. We heard last week that the National Transport Authority, NTA, harvests a great deal of information from the public services card, which makes it possible to identify, albeit not necessarily by that body, every trip taken. The Chairman raised that matter himself. That is mass surveillance. There is a question of balance, rights and whether this will cost money on foot of some future dispute between the Data Protection Commissioner and the Department. There was something obvious in that regard in yesterday's budget. The Data Protection Commissioner told us last week the workload the commission would have and what its expectation was for next year's budget. However, it did not get the money to do the work and will have to reassess its workload. This is the regulator not just for Ireland but the lead authority for the European Union.

Chairman: We will write again to Mr. Watt to seek the specific details we sought in the last letter and request him to consult whoever he feels appropriate to obtain the information for us. We will also ask the secretariat to contact the Department of Employment Affairs and Social Protection with regard to correspondence item No. 2441.

The next item is No. 2442, correspondence from Mr. John McKeon, Secretary General of the Department of Employment Affairs and Social Protection, providing an information note on the public services card, including information held by the National Transport Authority on public services card holders, transfer of personal information between the Department and the NTA, and arrangements regarding the NTA correspondence with public services card holders. This information will be useful and relevant to this morning's meeting. We note and publish that. It was going to come up in our discussion this morning.

Deputy David Cullinane: Did we establish which authority was responsible for data protection in relation to free travel?

Chairman: It is the Department of Employment Affairs and Social Protection.

Deputy David Cullinane: The Department is responsible for the holding of data.

Chairman: When a person presents a public services card at a swipe point, whether on a bus or train, the card chip contains a number with no name or address attached. The transport company can pass the information through the NTA back to the Department that the following numbers have made the following trips. The Department then knows the usage rate on the free travel card. Only the Department has the detail regarding to whom that number relates. That does not go to the NTA or any of the transport companies. That data is held by the Department. It led to the correspondence that we read here last week stating that, in essence, the Department of Employment Affairs and Social Protection can have details of the 950,000 people who have a public services card and may use it for free travel and what journeys they took. The Department has that information. This will be useful for today. The Department of Employment Affairs and Social Protection is coming in separately.

Mr. Seamus McCarthy: I could be wrong on the following. If so, the Department could be able to clarify it. My understanding is that the Department may have information that a journey has taken place and it may have a code number for where the person tagged on with the card. Unless it has a listing of the codes as to where those machines are located, however, it does not have any journey information.

Chairman: Social protection.

Mr. Seamus McCarthy: Yes. I could be wrong on that. It may have a listing of where all the terminals are that people tag on to. If it does not, however, it will not know where someone was when he or she tagged on. It will know there was a journey and which operator was involved, but it will not necessarily know where that-----

Deputy David Cullinane: They have to get that information from the Department of Transport, Tourism and Sport if they want it.

Mr. Seamus McCarthy: This is the thing. There are kinds of blinds, as it were, in the design of the thing. The NTA will be able to give a certain amount of information today and the Department will be able to clarify.

Chairman: It will take a little while to close the full circle, but we have more information than we had two weeks ago.

Mr. Seamus McCarthy: The committee will get there.

Chairman: We hope, in another couple of weeks, that we will have a firm conclusion on the matter.

Deputy David Cullinane: Very good.

Chairman: We note and publish this letter. Is that agreed? Agreed. The next item of correspondence is No. 2443, which is from Ms Anne Graham, chief executive officer of the National Transport Authority, providing the committee with a note on the use of the public services card for free travel. We note and publish that and it will be discussed as part of our meeting with Ms Graham shortly. Is that agreed? Agreed.

We turn next to category C correspondence, which is correspondence related to private individuals. No. 2406 is correspondence from an individual in relation to the University of Limerick. The individual describes himself as a whistleblower and he has written to the com-

mittee previously. He describes his own situation in the university and expresses the hope that the committee will continue to scrutinise matters there. We can note that matter for now. Is that agreed? Agreed.

Deputy Catherine Murphy: It just proves that the situation has not normalised.

Chairman: Not satisfactorily. Next is Nos. 2421, 2422, 2423 and 2424, dated 27 September 2019, from an individual who has raised a number of matters relating to wards of court. We are familiar with this issue which has been before the Oireachtas. No. 2421 relates to the proposal for fuel increases, which is a policy matter that is not within the remit of the committee. No. 2422 is a copy of the letter sent to the Courts Service in respect of wards of court. No. 2423 relates to budgetary provision for the implementation of the assisted decision-making support service, which again is a policy matter and is not within the remit of the committee. No. 2424 encloses a copy of a court document relating to wards of court. It is open to members to raise any of the matters in the Dáil Chamber or other appropriate forum. As a committee, we cannot take them any further. Individual Deputies may, however. To ensure people understand what will happen here, I note that the committee has discussed at length the matter of wards of court. The Committee on Justice and Equality has discussed it at length also and produced a substantial report that was discussed in the Dáil before the recess. Several members of this committee contributed to that debate on the report of the Joint Committee on Justice and Equality on wards of court. I understand that once the committee - not this committee - has completed its report and it is brought to the Dáil Chamber, the committee is then finished with it. It is a matter for any individual Member of the Oireachtas to continue to raise the matter as he or she sees fit. Once it produced a report which went to the Dáil Chamber for debate, the committee effectively concluded its work on the matter. That is my reading of it. I do not know if the Committee of Public Accounts can do anything further on it. Certainly individual Members can continue to pursue the long-standing issue being raised. Do members have any comments?

Deputy Catherine Murphy: I received a number of replies to parliamentary questions about getting assisted decision-making up and running. I agree that this is a matter for the Dáil or the Committee on Justice and Equality as opposed to the Committee of Public Accounts. Critical is the speed of getting that operational and how satisfactory it is when it gets to that point. I understand that this is complex. On the people who are designing the system, it is not intended to include people who have direct experience of looking after wards of court at this stage but at a later stage. I think that is a mistake because very often they know more about it from the other side. I think we will all be raising the matter separately. What is available in the budget will determine how quickly this happens but how satisfactorily it happens will depend on the input and the design of it at the early stage.

Chairman: The Deputy is referring to the Assisted Decision-Making (Capacity) Act.

Deputy Catherine Murphy: Yes.

Chairman: That will be discussed at the committee discussing the Estimates for the Department of Justice and Equality rather than at the Committee of Public Accounts. The next debate on the funding for that will take place at the Select Committee on Justice and Equality when it discusses the Estimates for the coming year. I propose that we write to the individual accordingly. Can we close the matter from the technical point of view of the Committee of Public Accounts? We know it is not closed and members will continue to raise it. With the Joint Committee on Justice and Equality we have ensured that it came to the Dáil Chamber and was discussed there. I do not think we can take it back from the debate in the Dáil Chamber to

reconsider what was discussed. That is not our remit. It is a matter for the Dáil at this stage and the Select Committee on Justice and Equality can discuss the Estimates. We will write on that basis. Is that agreed? Agreed.

No. 2428 dated 2 October 2019 comes from Deputy Catherine Murphy, who has provided the committee with a number of replies to parliamentary questions regarding consultancy costs across Departments. Can we note them?

Deputy Catherine Murphy: I just said last week that I had passed them on; that is all I was doing.

Chairman: We will list consultancy costs on our work programme. I do not know precisely how we will do it, but we will put it down as an item on our work programme.

The next item on the agenda is financial statements. Since our last meeting, only one set of financial statements has been laid before the Oireachtas. That relates to Ollscoil na hÉireann Gaillimh, NUI Galway. It got a clear audited opinion except that attention was drawn to non-compliant procurement of €4.45 million and the recognition of a deferred pension funding asset - a standard for the university. We have a standard procedure in place without having to specifically state it. Every time something comes up here regarding non-compliant procurement, this committee writes to the organisation seeking a full explanation, notwithstanding that the organisation in question will have information in its statements of internal control in its annual report. We are saying that when organisations put this information in their governance report and it is audited by the Comptroller and Auditor General, that is not the end of matter. The Committee of Public Accounts is watching non-compliant procurement and will write to the board of the university, or as the case may be, to reinforce at board level that this practice cannot continue. That process of our direct involvement in this might help and give impetus to boards to ensure the matter is dealt with more firmly and swiftly in their organisations in future.

Deputy David Cullinane: It will also keep the clerk busy.

Chairman: That is true.

The next item is the work programme, which is displayed on the screen. Today, we have the financial statements for the National Transport Authority. Next week, we will have Caranua before the committee and the week after that, we will have the Department of Agriculture, Food and Marine in to deal with forestry grants. On 31 October, we will have the Courts Service before the committee. The Dáil is not scheduled to sit that week, but as it is a key week in the Brexit process, we do not know if the Dáil will sit. If it does, we will have the Courts Service before us.

The following week, on 7 November, the Department of Employment Affairs and Social Protection will be here to discuss the Social Insurance Fund. The issue of the public services card will obviously be raised at that meeting. On 14 November, we have provisionally arranged a meeting with the Office of Public Works. On 21 November, we will have the Charities Regulator before us. On 28 November, we will discuss the Comptroller and Auditor General's report regarding the development of primary care centres; that relates to the HSE in a big way. The following week, we will have the National Paediatric Hospital Development Board. There will also be two meetings involving the HSE and the Department of Health. On 12 December, we will have Pobal.

As I said when discussing the minutes, we noted letters from the Department of Communi-

cations, Climate Action and Environment the last day. The Comptroller and Auditor General has a chapter in his report relating to greenhouse gases and he highlighted the issue of carbon taxes. As Chairman of the Committee of Public Accounts, I can think of no other issue that falls more within the committee's remit than carbon taxes. There is much talk about ring-fencing the €90 million in carbon taxes so that we know how it is spent. That overlooks the fact that over €400 million was raised in carbon tax last year. I do not know how that money was spent. The Comptroller and Auditor General has said it is not transparent across any Departments how the carbon tax collected to date has been spent. Page 141 of his report deals with carbon tax receipts from 2010 to 2018. The chart shows that receipts averaged €300 million per annum. Well over €3 billion has been collected in carbon tax since 2010. The Departments of Communications, Climate Action and Environment and Public Expenditure and Reform need to let us know where that money was spent. It would be shameful to think that we have collected this carbon tax and it has not been spent on reducing CO₂ emissions.

It appears there is no system in Government showing where this money has been spent, which is not good enough. The Committee of Public Accounts will not accept taxes being collected for a particular purpose when nobody can say if it has been used for that purpose. It goes into the general tax take; I do not mind that. If €450 million is collected, we want to know where it is going and especially where it went this year and last year.

The Central Statistics Office, CSO, published a report earlier this summer entitled, Fossil Fuels and Similar Subsidies 2012-2016. We might write to the CSO asking if it has any further information that could assist us on this. That report stated that €4.1 billion of taxpayers' money had been spent on "potentially environmentally damaging subsidies" and revenue foregone each year. Some of the subsidies to the various organisations are necessary because without them it would cause severe financial difficulty. It might be to the hauliers and some of it might relate to the fuel allowance. We are not discussing the policy but the point is that rather than collecting carbon tax and giving money to support people to continue burning turf, coal and other fossil fuel, we should be more proactive and use the money to reduce people's dependence on turf and coal, thereby reducing CO₂ emissions.

The CSO report is very interesting. I find it strange that we seem to be collecting up to €400 million a year in carbon tax, yet taxpayers are spending €4.1 billion on what the CSO calls "environmentally damaging subsidies and taxes foregone". That seems a total contradiction. A large amount of money was collected in recent years but nobody can tell us how it was spent. It is the job of this committee to find out where that money went. We will be calling in the Department urgently, as well as the Department of Public Expenditure and Reform. We have a busy schedule, so we may need to have a special meeting on a Tuesday. People want to know where the money collected in carbon taxes is going. That is my observation. I will take a comment, but I will be pushing for a special meeting on this issue. I do not want to knock something else off of the schedule, but this is a major issue. Lest people ask why this committee is discussing carbon tax, we are doing this because many billions of euro have been collected under that heading in recent years. We do not know, however, where that money goes and we are going to find out. I call Deputy MacSharry first, and then Deputy Cullinane.

Deputy Marc MacSharry: I agree with the Chair. Is this the appropriate time for my issue?

Chairman: No, we will come to the Deputy in a moment.

Deputy Marc MacSharry: It is very similar.

Chairman: We will just finish the issue of carbon tax first.

Deputy Marc MacSharry: I will wait.

Deputy David Cullinane: I also agree with the point made by the Chair. It would be good to have a discussion with the proper Department. Is that the Department of Public Expenditure and Reform or the Department of Finance?

Chairman: It is the Department of Public Expenditure and Reform and the Department of Communications, Climate Action and Environment.

Deputy David Cullinane: That is fine. We need to look at how much money came in and how it was spent. Equally, because of its nature, this was meant to be a tax that would encourage people to change their behaviour by reducing carbon emissions etc. It would also be good to get a sense, from a value-for-money perspective, of whether the tax has done that. The logic of the tax was to reduce people's dependency on carbon. It does not seem to have done that and therefore it would be good to see if we can get as much information as possible from those Departments.

If we take the examples of the plastic bag levy and the sugar tax, I imagine they were much more successful because people had obvious alternatives. It was possible to go from a Coke to a Coke Zero very easily and there are alternatives to plastic bags. Those are levies which I support and which work. Things are less clear if we focus in on the carbon tax. It is less if it is serving the purpose for which it was first established. There is also the issue concerning where the money goes once it is raised and whether it is being used to reduce people's dependency on carbon. Regarding that value for money aspect and whether it changes people's behaviour, and therefore reduces emissions, can we get as much information as possible from the Departments? I refer, in particular, to figures for emissions each year since the carbon tax came in. I would like to know if emissions have gone up or down. It will be said that this is counter-factual in that even though emissions went up, that was because the economy grew. It is difficult to get information in this area, however. Nobody from the Department, that I have seen, is able to give any concrete proof that the carbon tax has changed the behaviour of people and is serving the purpose for which it was introduced. That would be an interesting element to explore.

Deputy Catherine Murphy: The Government has argued that the ring-fencing of this fund is to bring about behavioural change. It could not be argued that what was collected so far served that purpose because it was merely a revenue-raising exercise. The tax was introduced in 2010 and much money has been raised since that could have gone towards retrofitting, etc. When we examine this issue, it is important that we get up-to-date information regarding the fines Ireland is likely to face. The totality of the cost of moving people from their established patterns and changing their behaviour has to be factored in. It may be a case that spending to change behaviour may, ultimately, allow us to save money. The CSO does extraordinary work in collecting data. There is often a call for this type of information to allow planning for the future, but often we end up not using it when it is provided. We should be doing things like this carbon tax on the basis of evidence. If there is an argument that this tax is influencing behavioural change, it appears any change achieved is modest.

Chairman: I ask the secretariat to circulate the CSO report on fossil fuels and similar subsidies for the convenience of members. Mention was made of Ireland possibly facing fines. We have not faced fines to date and there is no prospect of facing fines at the moment. That is solely because we spend taxpayers' money in advance buying the unused carbon credits of other coun-

tries through the emissions trading scheme. We have spent money in order to avoid having to pay the fines. It is the same thing, only we have bought our way out of the fines for some years now. The Comptroller and Auditor General's report has a chapter this year on greenhouse gas and related financial transactions and that will be the basis of our discussion. Towards the end of that chapter, he mainly deals with emissions trading. He does, however, go into the carbon taxes but we are going to home in on that element because the emissions trading purchases are a bit historic at this stage. We discussed this issue previously.

We will focus on the carbon tax in more detail in the next meeting. We are going to ask for information from the Department of Public Expenditure and Reform and the CSO. Specifically, we will ask the Revenue what way it has of identifying the carbon tax. It does not decide spending, but we will want a clear statement as to how the tax is collected and the basis on which it is levied. We will want that information in practical, people-friendly terms, rather than dealing with information in technical detail, such as the tax being €15 a tonne and converting it to litres for home heating oil, or however else it is used. We will ask the Department of Public Expenditure and Reform whether it has any information on how the carbon tax revenues are spent. The funds accrued would have been spent by different Departments on things such as retrofitting in houses, etc. Some of the spending, therefore, might not have been under the rubric of the Department of Communications, Climate Change and Environment. We will put that Department on notice that we will be arranging an early special Tuesday meeting on the use of carbon taxes collected to date. We will try to finalise a date for that next week. Is that agreed? Agreed. I call Deputy Cassells, who has a query about the work programme.

Deputy Shane Cassells: When is it envisaged that representatives from Sport Ireland will be brought before the committee?

Chairman: We will come back to this next week. It is on our list.

Deputy Shane Cassells: I see it on the list, but is very far down. I would hate to see this issue kicked into the new year and it possibly never happening before the dissolution of this Dáil.

Chairman: We made contact with the organisation. Its representatives are scheduled to appear before another committee and we did not want to bring them in here at the same time, with no major interval. That makes sense, because it is not good for the Oireachtas to have the same people in one committee one week and then in here the following week. We have made contact with Sport Ireland but we have no definite date yet. We will get in touch again and, hopefully, try to have a date confirmed for next Thursday.

Deputy Shane Cassells: That is fine.

Chairman: I call Deputy MacSharry.

Deputy Marc MacSharry: My issue relates to the National Oil Reserves Agency, NORA.

Chairman: We spoke about that last week.

Deputy Marc MacSharry: That agency is gathering up money it does not need. I wanted representatives from that organisation to appear before this committee, along with representatives from the relevant Department. It was decided to ask the Comptroller and Auditor General to give us a few words on that organisation today and then we would discuss the matter further.

Chairman: Can the Comptroller and Auditor General help us in any way?

Mr. Seamus McCarthy: I have reviewed the financial statements of the agency. I did not prepare any specific speaking points, but I am happy to try to answer any questions.

Deputy Marc MacSharry: I will just talk about this issue for a minute and then other people can give their views. Under European law, we have to maintain a reserve of 90 days of oil to keep ourselves going. Money is needed to do that. The original regulations establishing the agency date from 1995, but the most recent legislation dates from 2007. A levy is applied every time we buy petrol, diesel or home heating oil. That money was to be used for certain purposes. Section 44(3) of the National Oil Reserves Agency Act 2007 states:

In determining the rates of levy, the Minister shall seek to ensure that (taking one year with another) the sums realised by applying those rates to the volume assessments meet but do not exceed the estimated expenses of the Agency and of each designated subsidiary.

The agency has a surplus and it has been recording a surplus year-on-year. According to the 2018 accounts that surplus is about €189 million in cash.

Mr. Seamus McCarthy: That was at the end of 2018.

Deputy Marc MacSharry: Yes, it was. That is money that agency does not need. The surplus per year, depending on usage, is about €90 million. I do not know what the fund total amounts to at present. Does the Comptroller and Auditor General have that information?

Mr. Seamus McCarthy: I do not.

Deputy Marc MacSharry: It is suggested anecdotal evidence. Looking at previous years, it could be around €240 million or thereabouts. My issue in raising this is not in any way to be a representative of the industry, which is big enough to look after itself. My interest is that this money has been raised. It is sitting in an account and there are hard-pressed consumers. The levy is at 2 cent, which is clearly more than and exceeds the amount for estimated expenses. To me that is a breach of the legislation. They are gathering up all this money. I wonder how the directors feel about it because there is an unusual thing in the accounts for 2018. I am not an accountant so maybe the Comptroller and Auditor General will state his view on this. They have it as reserves. In their accounts, it says that to date this surplus has been retained arising from the development of plans by Government for the repurposing the levy as a source of funding for a new climate action fund. It ties in a little bit with the other point that was made about carbon tax. We have gathered up this money and we have breached legislation in continuing to gather it at the rate we are gathering it. There is approximately €200 million of the people's money sitting in an account that the Government says at some future date it intends to repurpose. I do not know how that is legally possible. Maybe it is possible.

Mr. Seamus McCarthy: It will require a change in legislation.

Deputy Marc MacSharry: I understand, but can we do that retrospectively? We breached our own legislation in the amount of the levy because about half a cent per year is probably what it should be as opposed to 2 cent. It went up to 2 cent from 1 cent back in 2009, I think, because NORA owed €450 million. It has now cleared its debts since 2017 but we ploughed ahead gathering up the money. What is the legal position in having that in an account? It is a company, is it not?

Mr. Seamus McCarthy: It is, yes.

Deputy Marc MacSharry: Can the Comptroller and Auditor General enlighten us? Am I correct in saying this is a breach of the legislation?

Mr. Seamus McCarthy: Certainly it has built up resources. The €450 million in borrowing that was there at the end of 2008 has been eliminated. It was eliminated around 2016, I think. It would have been something that could have been considered to reduce the levy at that point, but that was not done and the balances have built up. We were aware when doing the audit that there was consideration of changing the purpose, but that would require legislative change. That has not happened. There are also plans by the agency itself to develop additional storage facilities and there have been delays on those projects. There was a purpose for which the monies could have been applied and capital development is ongoing. Some of that funding will be applied to that capital development, but certainly it will not eliminate all of the resources.

Deputy Marc MacSharry: Unless the agency planning to build a storage facility for the whole of the EU.

Mr. Seamus McCarthy: No. It will not use it all up.

Deputy Marc MacSharry: Absolutely. Can I ask again if I am right in saying it is a breach of the legislation?

Mr. Seamus McCarthy: That is a legal question. There is money in excess of the current requirements in the account.

Deputy Marc MacSharry: The Comptroller and Auditor General is saying that from a legal and accountancy perspective, it is quite okay for the Government to rewrite the legislation to say-----

Mr. Seamus McCarthy: The Deputy is in a policy area. It can change the legislation.

Deputy Marc MacSharry: It can.

Mr. Seamus McCarthy: It is the House that can change the legislation, not the Government.

Deputy Marc MacSharry: Of course. The House can. There is no legal issue around this money being repurposed, is there?

Mr. Seamus McCarthy: There is nothing to stop legislation being passed to create a new purpose for which the moneys can be applied, as I understand it. That is a policy area. What there is at the moment is a prohibition on using those funds for any purposes other than the expenses of the organisation, taking one year with another.

Chairman: As a result of this matter being raised here last week, the Department has contacted the secretariat and we are going to get a detailed briefing note in the coming days. We will have it from the Department-----

Deputy Marc MacSharry: Unsolicited?

Chairman: Yes. Believe it or not, people do watch what we say here.

Deputy Marc MacSharry: Really? I would love if such a level of proactivity was engaged in on all matters.

Chairman: It contacted us. We are getting a detailed note from it and we will have it in advance of next week's meeting. That will probably be very helpful and the Deputy will be able to take it up further. There is information on its way to us now as a result of the National Oil Reserves Agency issue being discussed here at the previous meeting.

Deputy Alan Kelly: We are certain about that, are we?

Chairman: Yes. We are told it is on its way to us. This is only a little anecdote.

Deputy Marc MacSharry: I just have two things to say before I finish and after the Chair has spoken, if that is all right.

Chairman: People do watch the committee proceedings. Here is a funny one that I am saying in a light-hearted way. During the discussion with the Data Protection Commissioner here a couple of weeks ago, I happened to mention in public session that I had never needed a public services card and did not have one. I got a lovely letter from an assistant secretary in the Department who, having watched the meeting and noted that I did not have one, offered to bring me to the office to get a public services card if I so choose. I thanked him for the kind intent and have arranged to do it. People do watch and sometimes Departments do get on their radar what is said.

Deputy Shane Cassells: The Chairman will need the public services card for the free travel soon enough.

Deputy Alan Kelly: That is collegiality there.

Chairman: I am years away from that.

Deputy Marc MacSharry: My problem with this is that it is a clear breach of the legislation. I appreciate that the Comptroller and Auditor General does not want to go on record and is not a lawyer. I do not need to be a lawyer to know it is a breach of the law. If a punter breaks the law, we throw the book at him or her. When the system breaks the law, we circle the wagons, repurpose and fudge it in language. I appreciate that it is a policy issue. We are all taking this carbon tax thing on the chin in the interests of climate change. We have penalisation without alternatives in many instances with public transport and so on, particularly in rural Ireland. There is another 2 cent or whatever it is per litre on fuel in the budget this week. Here is 2 cent that is being taken that we do not need and we are in breach of our own law in taking it. The Minister says we are going to repurpose it. For what?

Chairman: That is the suggestion and we will have a note. By raising the issue the Deputy has done a good day's work.

Deputy Marc MacSharry: I think we should bring in NORA because I would love to hear its view on the legal position and the invidious position it is being put in by Government policy.

Chairman: We may do that but we will get the briefing note for next week and then decide whether to bring it in. If it is a policy issue, we might have to bring in the Department as well. We will return to this topic next week. Before we conclude, I want to go into private session to deal with correspondence on one particular issue. We will then suspend for ten minutes to allow the witnesses to take their seats. Those in the Gallery not connected to the Committee of Public Accounts or the Office of the Comptroller and Auditor General are requested to leave the Gallery. We will be back in public session in a few minutes.

10 OCTOBER 2019

The committee went into private session at 10.08 a.m.

Sitting suspended at 10.12 a.m. and resumed at 10.20 a.m.

2018 Financial Statements of the National Transport Authority

Ms Anne Graham (*Chief Executive Officer, National Transport Authority*) called and examined.

Chairman: This morning we are meeting the National Transport Authority of Ireland to discuss its financial statements for 2018. The Office of the Comptroller and Auditor General will be represented in this session by Mr. Andy Harkness and Mr. John Crean, deputy directors of audit. We are joined by Ms Anne Graham, CEO, National Transport Authority; Mr. Hugh Creegan, deputy CEO; Mr. Tim Gaston, director of public transport services; and Mr. Philip L'Estrange, director of finance and corporate services. From the Department of Transport, Tourism and Sport, we are joined by Ms Deirdre Hanlon, assistant secretary, public transport and climate change; and Ms Una McDermott, public transport corporate and services division.

I draw the attention of our guests to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to so do, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

Members of the committee are reminded of the provisions of Standing Orders that the committee shall also refrain from inquiring into the merits of a policy or policies of the Government or a Minister of the Government, or the merits of the objectives of such policies. While we expect witnesses to answer questions asked by the committee clearly and with candour, witnesses can and should expect to be treated fairly and with respect and consideration at all times in accordance with the witness protocol.

I invite Mr. Harkness to make the opening statement of the Comptroller and Auditor General.

Mr. Andy Harkness: The National Transport Authority has a wide range of functions, including responsibility for the regulation and development of the State's public transport services and their integration with land use planning; operation of the State's integrated public transport ticketing system; and regulation of taxis and vehicle clamping. The authority is the main conduit for the provision of State funding to operators of public transport. The authority's income in 2018 amounted to €504.9 million. Expenditure amounted to €504.3 million, resulting in a surplus for the year of just under €600,000. Oireachtas grants to the authority in 2018 totalled €544 million. The bulk of this was passed on to transport operators in the form of public service obligation, PSO, funding to subsidise the cost of public transport, or was provided as

capital grants for the development or acquisition of public transport assets.

Since 2017, the authority has been building up its own fleet of buses, which it assigns to public transport operators. The buses are recognised as fixed assets on the authority's statement of financial position. In 2018, the authority added new buses to the fleet at a cost of €84 million, and received transfers from Dublin Bus of buses of varying ages, with a combined depreciated value of €12.4 million. The carrying value of the whole fleet at the end of 2018 was just under €116 million. The authority developed the integrated ticketing system, better known as the Leap card system, in co-operation with the main public transport operators. The authority maintains and operates the system, collecting fares and distributing them to the operators in line with agreed apportionment rules. It recovers its own costs of operation of the system from the transport operators. Leap card fare revenues collected in 2018 amounted to €320 million, which was up almost 16% from 2017. The revenues do not appear as income of the authority.

The Comptroller and Auditor General certified the 2018 financial statements on 30 June 2019 and issued a clear audit opinion.

Chairman: I thank Mr. Harkness. I invite Ms Graham to make her opening statement.

Ms Anne Graham: I am grateful for the invitation to appear before the committee today to discuss the National Transport Authority's annual accounts for 2018. As requested by the committee's secretariat, we have furnished some information in advance. To assist in answering the members' questions I am accompanied by three directors from the National Transport Authority: Mr. Hugh Creegan, deputy CEO, Tim Gaston, director of public transport services, and Philip L'Estrange, director of finance and corporate services.

Our remit is primarily concerned with the planning, development and funding of sustainable transport modes, that is to say, public transport, cycling and walking. At a national level, the authority has responsibility for securing the provision of bus and rail services. This includes the provision of subsidised services through directly awarded contracts with Bus Éireann, Dublin Bus and Irish Rail. The authority also tendered for the provision of bus services throughout the country, and our contracted operators include Go-Ahead Ireland Limited, JJ Kavanagh, Bernard Kavanagh, M&A Coaches and Wharton's Travel. The authority is also responsible for light rail services, which we procure jointly with Transport Infrastructure Ireland.

The authority also regulates and licenses public bus passenger services that operate without subsidy from the State. We also manage the rural transport programme on behalf of the Department of Transport, Tourism and Sport. Associated with the bus, rail and light rail services, a key role for the authority has been the integration of payment systems and information for public transport users. The authority has overseen the successful introduction of initiatives such as the Leap card, a real-time passenger information system for buses, and an intermodal journey planner that covers all services of private and public operators in the State.

The authority is also responsible at a national level for the licensing and the regulation of small public service vehicles, comprising taxis, hackneys and limousines, and the regulation of vehicle clamping. Within the greater Dublin area the authority has a greater depth of functions. The authority's role covers not only public transport capital investment and provision of services but also securing greater integration between land use and transport planning. The authority's statutory Transport Strategy for the Greater Dublin Area 2016-2035 sets out the key transport projects that are required to be delivered to provide for the growth in travel demand by sustainable modes.

The authority manages the capital investment programme for public transport, cycling and walking in the greater Dublin area and funds the transport operators and local authorities for approved projects. The authority also manages a similar capital investment programme for the regional cities of Cork, Galway, Limerick and Waterford on behalf of the Department of Transport, Tourism and Sport, and we manage the national accessibility programme. The strong growth in demand for public transport we have experienced in recent years continued during 2018, at 6.5% across all PSO services. The number of passengers using bus and rail services was at an all-time high and those services received a 93% satisfaction rating among users.

In Dublin, surveys showed that more than half of all commuters travelling into the city centre at the peak morning travel time used public transport. This is positive from the perspective of increasing transport efficiency and sustainability, but because of the low level of investment in public transport infrastructure in the aftermath of the economic downturn, services can be very crowded at peak travel times. This trend seems set to continue and underscores the need to further expand and develop public transport infrastructure, particularly in our major urban areas. The Government has published a long-term investment strategy, the National Development Plan 2018 – 2027, which includes significant developments such as the BusConnects programme, the MetroLink and a DART expansion programme, as well as other important public transport projects that will assist in meeting the demand for sustainable transport, as well as our obligations to reduce carbon emissions. This allowed the authority to commence public consultations on the emerging proposals in respect of MetroLink and BusConnects. The feedback from the public from these consultations is an essential and helpful input into the design of these schemes, which are expected to be submitted to An Bord Pleanála for statutory approvals in 2020.

The authority formally entered into a contract with Go-Ahead Ireland for the operation of a number of local and orbital bus routes in Dublin last year and, in September of that year, the new operator commenced the phased implementation of services in Dublin. While some teething issues were experienced initially, they were quickly overcome and Go-Ahead Ireland is now successfully operating a significant proportion of Dublin's bus services. The introduction of competition into the PSO bus market will enable the authority to evaluate in more depth the value for money of the directly awarded contracts. As a result of the transfer of routes to Go-Ahead Ireland, we were able to re-deploy the Dublin Bus resources in areas to provide additional capacity at peak times across the Dublin Bus network. In December Bus Éireann, which successfully tendered for the operation of bus services in Waterford city, commenced the roll-out of a much enhanced timetable of services using a new fleet of buses.

In the short term, the commuter rail system will experience capacity issues at peak travel times due to the improvement in the economy. There is an urgent need for additional rail fleet to meet the increase in passenger numbers. While preparations for the procurement of new electric and battery electric rail fleet are under way, the process of having rail fleet built is a lengthy one. Accordingly, the authority, together with Iarnród Éireann, has prepared a business case for the purchase of an additional 41 intercity rail cars which, if given Government approval, could be put into service in about 24 months.

The cancellation of ferry services operated by Irish Ferries due to delays in the delivery of a new car ferry resulted in the first significant case for the authority in its capacity as the national enforcement body for EU regulations on passenger rights in the maritime and land transport areas. There was intensive engagement between the authority and the operator, and the authority's decision in the matter was finally announced early in 2019, a decision which is now the

subject of High Court proceedings.

The success of the Transport for Ireland, TFI, Leap card scheme continued unabated during 2018. In May, the 3 millionth TFI Leap card was sold, which has exceeded our expectations. Once again we offered TFI child Leap card holders the opportunity to travel free on bus and rail services for a period over the summer. Advances in technology are adding new options for fare payments. Accordingly, the authority is actively engaged on the next evolution of the TFI Leap card scheme.

Local Link services in rural areas continue to develop and grow. At the request of the Minister for Transport, Tourism and Sport, the authority developed a pilot scheme for the operation of Local Link evening and night-time services to provide an alternative to car travel for social activities. The pilot ran until the end of the year when it was decided to extend the pilot for a further period.

The transition to a wheelchair-accessible taxi fleet continued. This was again assisted by the provision of grant funding to assist operators to purchase suitable vehicles. During the year, 679 wheelchair accessible licences were added to the fleet, bringing the overall number to 2,220. We also launched a major publicity programme to encourage more people to join the taxi sector.

Since its establishment, the authority has been significantly under-resourced. Our staffing complement, in particular, has been well below what we require to effectively undertake our statutory and non-statutory functions. A great deal of work was undertaken during the year on the development of a strategic resourcing plan to identify the needs in that regard and in consultations with our parent Department and the Department of Public Expenditure and Reform. I am pleased that this culminated in approval for the filling of a significant number of key posts in 2019, which will assist greatly in building our capacity to deliver our mandate. In terms of our funding and expenditure, the authority has been strongly focused from the outset on ensuring that we have robust financial and audit controls, bearing in mind the scale and range of the authority's financial activities.

This concludes my opening remarks and I welcome any questions that members of the committee may have.

Chairman: Thank you. Before I call the first speaker, Ms Graham might explain the difference between the National Transport Authority, NTA, and Transport Infrastructure Ireland, TII, for viewers and the public who might be confused. Some people do not know which is which.

Ms Anne Graham: The NTA is primarily focused on public transport provision and public transport infrastructure provision. We assign the functions relating to the provision of light rail infrastructure to Transport Infrastructure Ireland, TII. It provides and manages the light rail infrastructure. We jointly procure the light rail services, which is the contract with Transdev. TII also manages the national roads infrastructure.

Chairman: It deals mainly with the roads, the authority deals with public transport and there are some areas on which TII and the NTA work together.

Ms Anne Graham: Exactly.

Chairman: Okay. That is why people are not sure which is which. You mentioned that you are joined by some directors. When you refer to directors, and the same matter arose at last

week's meeting, the board members who we would call "directors" are what you call "executive directors".

Ms Anne Graham: Yes, they are executive directors.

Chairman: Will you explain who is who, or the difference? You used the word "director". It probably applies to both.

Ms Anne Graham: No.

Chairman: What do you call the board members?

Ms Anne Graham: The board members are members of the authority.

Chairman: Are any of the directors with you today members of the board?

Ms Anne Graham: Hugh Creegan and I are.

Chairman: I see that here in the book. That is what confused me. Mr. Creegan is here in a dual capacity, as a director and board member.

Mr. Hugh Creegan: Correct.

Chairman: Ms Graham is as well.

Ms Anne Graham: Yes.

Chairman: Mr. Fred Barry is the chairperson. He was also recently appointed chairperson of the new national children's hospital.

Ms Anne Graham: That is right.

Chairman: He is a busy man. The first speaker today is Deputy Catherine Murphy, who has 20 minutes. The second speaker is Deputy O'Connell who has 15 minutes and the following speakers in the following sequence, Deputies Cullinane, MacSharry, Cassells and Munster, have ten minutes each.

Deputy Catherine Murphy: I will start by asking about the NTA's headquarters and its arrangements. There was an amalgamation with the taxi regulator, which was originally independent of the NTA. My question is about the leases. What the NTA is paying for the property on Fitzwilliam Square is substantially more than it is getting in income. Can Ms Graham explain why that has happened and for how long it will continue?

Mr. Philip L'Estrange: I will address that. In 2011, the Commission for Taxi Regulation, CTR, was subsumed into the NTA. As part of that, all the assets and liabilities were also transferred to the NTA, including a 35-year lease contract, upward only, that the Commission for Taxi Regulation had taken out in 2006. Effectively, the NTA inherited this lease. The payments on the lease were €170,000 per annum and the NTA took that on board. As soon as the Commission for Taxi Regulation was amalgamated with the National Transport Authority we immediately sought to achieve efficiencies and to co-locate both cohorts of workers in one building, which is our headquarters in Harcourt Lane. That achieved savings of approximately €440,000 per annum. Notwithstanding that, there is a difference between the rent we receive now, which is €80,000, and the original rent the CTR took out, in a different era, of €170,000. Overall, the public sector still made savings. The National Council for Curriculum and Assessment, NCCA,

was able to leave a privately rented building and take on this favourable lease term of €80,000 per annum.

Deputy Catherine Murphy: It is favourable because it does not pay the full rent. Is the lease up to 2024 or 2026?

Mr. Philip L'Estrange: It is 2024.

Deputy Catherine Murphy: It is upward-only reviews.

Mr. Philip L'Estrange: That was the original lease signed by the Commission for Taxi Regulation at the time. That was before the establishment of the NTA. Regarding the NCCA, we sought to sublet the building because we were able to consolidate all the staff in one building. We obtained the assistance of the Office of Public Works, OPW, in ensuring we got a proper market rate at the time.

Deputy Catherine Murphy: Is that the market rate?

Mr. Philip L'Estrange: It was, at that time.

Deputy Catherine Murphy: Is that subject to review by the NTA?

Mr. Philip L'Estrange: It is subject to another rent review, which we expect to come up within the next six months.

Deputy Catherine Murphy: Does the NTA carry out the rent review?

Mr. Philip L'Estrange: We do not have an upward-only rent review because at that time the market was not sustaining upward-only rent reviews. The Deputy might remember that at that time, 2011, the market had changed substantially.

Deputy Catherine Murphy: Okay.

Mr. Philip L'Estrange: Our main objective was to consolidate as many savings as possible for the public sector at large, for the National Council for Curriculum and Assessment, NCCA, and for ourselves.

Deputy Catherine Murphy: The NTA is paying out €170,000 and is getting €80,000. That is the situation at the moment, which is likely to disimprove rather than improve up to 2024.

Mr. Philip L'Estrange: It depends on how the market evolves but, within the limited rental scope available, that is correct.

Deputy Catherine Murphy: I want to get through a number of topics so I will try to be succinct with my questions and I ask the witnesses to keep their replies as short as possible. I would appreciate that. With regard to the transfer of buses, which Mr. L'Estrange has said are of varying ages, from Dublin Bus to other parts of the NTA's fleet, the NTA paid the nominal sum of €1. The NTA treated these as an accounting gain of €12.4 million. That will have improved the authority's balance sheet for 2018, but that gain will not be present for the following year. Will Mr. L'Estrange talk us through that and give us some idea of the age of the buses, because they will obviously continue to depreciate in value?

Mr. Philip L'Estrange: The context is that, with the opening of the bus market, we acquired new buses to facilitate the additional capacity required. As part of that process, there was a

kind of fleet harmonisation in order that the new operator would have a fleet with a similar age profile to that of Dublin Bus. The new operator had a mixture of new buses and aged buses. As part of that mechanism, buses were transferred from Dublin Bus to the NTA, which then made them available to the operator. As part of the contractor, the price was €1 as a consideration-----

Deputy Catherine Murphy: What was the return for Dublin Bus? Did the NTA give it more up-to-date buses? Was that the arrangement?

Mr. Philip L'Estrange: Yes.

Deputy Catherine Murphy: The NTA treated this as an accounting gain.

Mr. Philip L'Estrange: It is an accounting gain because, per accounting standards, we need to recognise the assets at their value. The net book value of the buses which came across from Dublin Bus to the NTA was this €12 million. We needed to recognise that on our balance sheet. The opposite side of that, from a technical accounting perspective, is that we recognised an accounting gain of €12 million, although it is not a cash gain.

Deputy Catherine Murphy: The authority talks about value for money in respect of Go-Ahead, which has been designated to take over 10% of Dublin Bus's market. There was quite sizeable expenditure on establishment and operational costs in that regard - €14.6 million in 2018. Was a business case made for that initiative? Will the delegation give us a brief overview of the tendering or procurement process?

Ms Anne Graham: Is the Deputy seeking an overview in respect of the business case or in respect of Go-Ahead itself?

Deputy Catherine Murphy: Perhaps Ms Graham could start with the business case, which would relate to Go-Ahead.

Ms Anne Graham: The business case goes back to 2013, when we were looking at whether to directly award the same number of services to Bus Éireann. The decision the board made at that time was to put 10% of directly awarded services out to tender. This was to have a comparator in the market and to introduce some competitive tension to the PSO bus market. There was a lot of assessment and a lot of work done.

Deputy Catherine Murphy: Did the NTA expect it to cost €14.6 million?

Ms Anne Graham: We will go through what was involved in the costs in a minute, but we expected to introduce some competitive tension to the PSO bus market, which was a monopoly market. As I said, we wanted to introduce that kind of tension and to have a comparator as against the costs of operating a directly awarded contract. With regard to what was involved in the €14 million, a proportion of that related to support and set-up costs. Approximately €2.2 million related to the authority's set-up costs. This involved the introduction of the ticketing systems and the automatic vehicle location, AVL, systems to support the operation of the services. A contractual set-up cost for Go-Ahead was also part of that expenditure. Also included in the figure of €14.6 million are the PSO regular rural services. A proportion of rural transport services is funded by the PSO to the value of approximately €5.4 million. This covers the regular scheduled services operated and managed by the Local Link offices.

Deputy Catherine Murphy: There is no competitive tension in the market from a public perspective because Go-Ahead is not a direct competitor on any particular route; the routes are

designated.

Ms Anne Graham: A tendered service is, however, introduced in the same urban area, that is, within Dublin. The majority of those routes had been operated by Dublin Bus prior to Go-Ahead operating them.

Deputy Catherine Murphy: On the collection of data, I understand the fares collected by Go-Ahead go directly to the NTA. It is a different model from that of Dublin Bus. How does the authority ensure that this is inspected and that fares are collected and so on? Does it have a separate inspection or enforcement regime? If so, who operates it?

Ms Anne Graham: I will ask Mr. Gaston to answer that question.

Mr. Tim Gaston: We use two methods to monitor that. Because 80% or more of fares are gathered through the Leap card system, we are able to see that Go-Ahead operates on a very similar basis to that of Dublin Bus with regard to fare collection. Therefore, were there to be fare leakage, we would see that very quickly in the Leap card data coming through. With regard to the remainder, we are in the process of appointing our own independent revenue inspectors who will be separate from those employed by Go-Ahead. It will employ people to make sure the fares are being paid, we will employ people to survey that activity. It shadows or follows the same model used in respect of the Luas where TII independently monitors the fares collected on the Luas to ensure customers are paying the appropriate fare for the journeys they take. On that basis, we can see that the fares are being gathered and that customers are paying at point of use while, in the back office, we are able to track very closely the revenue per passenger per ticket type and to compare that with what is happening elsewhere in the network to satisfy ourselves that we are collecting all the revenue that is due from Go-Ahead. To date, we are satisfied.

Deputy Catherine Murphy: The NTA is collecting information from Leap card use and from cash fares. Does it expect a particular proportion of fares to be paid in cash? I presume so.

Mr. Tim Gaston: We do, yes. Go-Ahead banks the cash and provides us with the details of the cash that has been collected. We can also see that from the ticketing equipment. Every time a person buys a cash ticket, it is recorded on the ticketing system. That comes into our back office and we are able to reconcile it with the journeys taken by passengers.

Deputy Catherine Murphy: The NTA also gathers data from the public services card, PSC.

Mr. Tim Gaston: We do not get revenue information from the public services card. We simply get a record of people using the public services card on a bus. The NTA's system does not tell us where it was used or any details about the card user, we are simply told that a public services card, identified by the electronic number stored within it, was used on a Go-Ahead, Dublin Bus, or Irish Rail service. We record that.

Deputy Catherine Murphy: The system does not differentiate between Go-Ahead, Dublin Bus or Irish Rail.

Mr. Tim Gaston: We are told on which operator's service the card was used, but nothing else about the user.

Deputy Catherine Murphy: Is there an apportionment, presumably proportionately, to the

operator on an historical basis? Does that feed into the public service obligation, PSO, subvention?

Ms Anne Graham: In terms of the payments made to Go-Ahead versus the other operators?

Deputy Catherine Murphy: In proportion to the level of usage.

Ms Anne Graham: For the public services card?

Deputy Catherine Murphy: Yes.

Ms Anne Graham: A block grant is paid by the Department to the CIÉ operators for Dublin Bus, Bus Éireann and Irish Rail for the proportion. We receive a payment directly from the Department for the tendered services we operate.

Deputy Catherine Murphy: Is that then given to the operator?

Ms Anne Graham: We pay the operator. It goes against the cost of the payment of operations.

Deputy Catherine Murphy: Is the information received on the PSC that is fed back to the Department very general? Does it not include the names of the people using it?

Ms Anne Graham: Yes, it is an anonymous number. Given this was a matter for discussion, we might outline in a small bit of detail what happens with the PSC in respect of free travel.

Chairman: It will not be taken out of the Deputy's time. It would be helpful.

Mr. Tim Gaston: With regard to the CIÉ subsidised services, public services cards are issued by the Department to the clients. The Department determines the entitlement and the people who are supposed to get the cards. The way we set up the Leap scheme from the start was that the two technical teams worked together. The arrangement we came to was the Department would send us an electronically read number. This not the number printed on the card but an electronic record of every card issued. The Department is the only other organisation we allow to issue cards that can be read on our system. All of the other cards are issued by the NTA. This is a security measure. The Department issues cards to its clients and sends us the electronically coded number. This is the only information we receive from the Department unless it has decided a card is no longer valid. It separately sends us another list of those cards to be blocked.

When we receive the information on the cards that are valid, we simply put it into our back office so that when we see a card being used we know it is a valid card that was issued by the Department. When we receive information on cards that have been blocked, we create a hotlist that we send electronically to all of the ticketing equipment on Irish Rail, Dublin Bus and Bus Éireann and to inspection equipment so that when the card next appears to be used in public transport it is blocked. From that point, the card can no longer be used for public transport.

The final piece of closing the circle is that on a regular basis we send a file to the Department containing the electronically read card number, the operator, the time and the date. This is the information we provide to the Department.

Chairman: How often does the Department provide an update on the cards that are blocked or no longer valid?

Mr. Tim Gaston: I believe it is weekly. We receive it weekly but it is a relatively large file to push out around the network so we do that monthly. We manage-----

Chairman: So what Mr. Gaston is saying-----

Mr. Tim Gaston: It is on a regular basis.

Chairman: The Department sends notification that a free travel card is no longer valid and it takes a least a month for the NTA's system to pick that up.

Mr. Tim Gaston: It could take a maximum of a month for it to appear on the ticket machines. Somebody could still be using a card.

Chairman: Why can it not be done electronically overnight? Somebody has to go after the people with the cards for a refund or to get the money back for using the card. In a case I raised at a previous committee meeting, a person had been using a card for well over a month. Let us be clear that the card in this case should not have been used during that time. At the end, the person received a bill for €1,000 for unauthorised use of a card. This was because of the long delay during which the person was allowed to continue to use an expired card. There seems to have been a big delay at the NTA's end.

Mr. Tim Gaston: It is a maximum of a month but it depends on the frequency and scale of what we see. It is a relatively tricky technical process. The file has to be built and tested and then made available to the transport operators who, in turn, put it on the ticketing equipment. We have at least four different types of ticketing equipment in the field. All of the ticketing equipment systems need to be able to handle the electronic file. It is relatively tricky to do but the next generation of equipment we are bringing in will do the overnight update the Chairman suggests, which will be a better way to deal with it, but for now-----

Chairman: When will that be? It seems very-----

Mr. Tim Gaston: It will be within three to four years. We are working on next generation ticketing under the BusConnects banner and we will bring in a significantly improved process.

Chairman: The IT is not speedily up to date. It is slow.

Mr. Tim Gaston: It is a system we regularly update but the maximum could be a month from when the Department advises-----

Chairman: It is not as efficient as the NTA would like it.

Mr. Tim Gaston: Absolutely not.

Deputy Catherine Murphy: There are four different types of ticketing equipment. How did that happen? I presume it is different generations of apparatus. Is this the case?

Mr. Tim Gaston: It is mainly a legacy issue. When the integrated ticketing scheme was introduced, Dublin Bus, Irish Rail and Luas had their own existing ticketing equipment. It was perfectly good equipment and there was no justification to throw it out to introduce something that would read Leap cards. We had to find a way to integrate with that equipment. There is separate equipment on Dublin Bus and Bus Éireann from what is used on Irish Rail and the Luas. We brought in our own supplier and made that available to commercial bus operators. Since then, we have brought in a further supplier for handled inspections.

Mr. Tim Gaston: Does the NTA determine the type of equipment that will be used in future across the spectrum, including on the Luas?

Mr. Tim Gaston: We will for subsidised services. The authority will procure and provide equipment to the operators for PSO services.

Deputy Catherine Murphy: I want to go back to a number of points. The NTA had consultancy costs that amounted to €3 million in 2018. What was this expenditure for? It looks like there were two different amounts. One amount was described as legal costs.

Mr. Philip L'Estrange: The consultancy costs in 2018 were €2.9 million versus €1.9 million in 2017. The main increase between the two years related to an increase in the legal costs that we incurred.

Deputy Catherine Murphy: What were the legal costs? Did they relate to a case? Is it ongoing? What was its nature?

Mr. Philip L'Estrange: We incurred a number of legal costs. One of the major costs was with regard to marine passenger rights. There was a series of cancellations on passenger ferries. It was a new area for the authority and, in 2017, we incurred legal costs in the area that we had not incurred previously.

Deputy Catherine Murphy: Are they recouped by fines? Bad weather is something we will experience as an island and there will be delays because of it but where a service has not been provided there have been quite sizeable fines for some of the operators. Is this balanced out?

Ms Anne Graham: It is not at present because it is now a matter of High Court proceedings. This was a particular case and it was an interpretation of an EU regulation that the authority, on behalf of passengers, was required to look at because we are the national enforcement body. As Mr. L'Estrange has outlined, because this was a new area, it required a lot of investigation in terms of interpretation and a lot of advice on what that interpretation might be. The matter is now before the High Court and we will wait and see what comes out of the case. There has been a referral to the European Court of Justice, ECJ, on the interpretation of elements of the regulation. This will be quite a lengthy case.

Deputy Catherine Murphy: In the opening statement, it was mentioned that the NTA is below its staff complement. What is the optimum number and how many does it now have?

Ms Anne Graham: We have 140 staff and we have looked to-----

Mr. Philip L'Estrange: Approximately 150 contractors.

Ms Anne Graham: We have approximately 150 outsourced placements.

Deputy Catherine Murphy: What is meant by "outsourced"?

Ms Anne Graham: We have a number of contracted service providers for whom we have placements in-house. They work alongside our staff.

Chairman: From agencies?

Ms Anne Graham: They are not agency staff. We contract for services such as financial services but the people I am speaking about are based in our office. We were set up as an or-

organisation in 2009 at a time of economic trouble for the State, and we were subjected to the employment control framework. We were not in a position to recruit beyond 80 staff so we looked at other means of delivering on our mandate by having a number of outsourced service providers, which assisted us in delivering on our mandate.

Deputy Catherine Murphy: Is that the ideal scenario? That may be more tenuous than having somebody there permanently.

Ms Anne Graham: It is not the ideal scenario. We would like to maintain a little staff flexibility. We would not go for a 100% staff complement and we would still like to retain some outsourced placements. At the moment, it is unbalanced and we are working to achieve a better balance between the number of employees versus the number of outsourced placements.

Deputy Catherine Murphy: In any event, it is being paid for but it is suboptimum in terms of the stability of the organisation.

Ms Anne Graham: A cost is associated with it as well.

Deputy Catherine Murphy: What is that associated cost?

Mr. Philip L'Estrange: Generally, the cost of the outsourced contractors is twice the cost of an NTA employee.

Deputy Catherine Murphy: It is costing us more.

Mr. Philip L'Estrange: Yes. It was mentioned earlier that we had done a strategic staffing plan. The plan is to redress that imbalance. Currently, it is in the order of 50% of employees and 50% outsourced contractors. We would like to get to a space where it is more like 70:30 or 80:20, so that we can maintain the flexibility but have more internal employees.

Deputy Catherine Murphy: That seems to be a daft situation. It might have been understandable at the beginning but that we are paying more now and ending up with something less stable is crazy.

One of the criticisms that some of the PSO operators have is that they find the arrangements between themselves and the NTA has put them in a position where they struggle to plan for more than the given year. Why is that the case regarding certainty as to their income or investment in bus fleet and so on? Is Ms Graham saying that the NTA will be the agency that will buy the bus fleet in the future for the area that it covers?

Ms Anne Graham: Yes, we will provide and purchase the PSO bus services in the future.

One of the issues in planning ahead in public transport is that we have some oversight as to what our capital is going to be. There is certainly the ability to be able to plan for capital projects. On the PSO side, because we are subject to the budgetary process, as is the Department, we do not know from year to year what our PSO budget will be. One of the things that the operators would like to see is a multi-annual budget for PSO, which would allow us to plan better for the introduction of new services.

Deputy Catherine Murphy: The NTA also deals with walking and cycling. I read an interesting statistic recently. The sizeable and good investment in Luas results in fewer people coming into the city than the number that cycle, where there has been a relatively small investment. Will that be recalibrated because we are looking at people changing behaviour? Luas is

a sustainable means of transport, but investment in walking and cycling seem to be very good. Why does that get such little funding when there is such a good return?

Ms Anne Graham: I will ask Mr. Creegan to respond to that.

Mr. Hugh Creegan: We are playing catch up in the area of cycling. Insufficient funding was available for a number of years to develop cycling at the level that is required. Now more funding is becoming available. The challenge is to get the schemes moving and delivered. We know there is more to be done in this area and the Deputy will see, thanks to the additional funding that we have, an acceleration in the cycling infrastructure over the next number of years.

Deputy Catherine Murphy: Has the NTA a reasonable degree of flexibility within the budget?

Mr. Hugh Creegan: Yes, we do.

Deputy Catherine Murphy: In terms of looking at where money goes, NTA has provided grants to Maynooth University, Dublin City University, Trinity College Dublin and St James' Hospital. Why are they specifically singled out and what are those grants for?

Mr. Hugh Creegan: They are members of the smarter travel workplace programme. To assist in their objectives of getting more people to use sustainable transport, we have invested in initiatives such as cycle parking and the small changes that might be required to get better access to a location, as part of supporting the programme. It is the smarter travelling programme providing some additional supports to make it more effective in a few locations.

Deputy Catherine Murphy: Is that aimed at both students and staff?

Mr. Hugh Creegan: That is correct.

Deputy Catherine Murphy: Is that for infrastructure or for subventing bus services? How does that play out?

Mr. Hugh Creegan: It is generally for infrastructure-type issues. The most common thing we have provided is additional cycle parking in these locations to supplement what they have. In some cases, we have looked at developing an additional access route into a location to make it easier for people to cycle or walk into a particular campus.

Deputy Catherine Murphy: Sometimes it is very difficult to figure out the rationale for measures and the lack of connections. For example, I am familiar with Maynooth as it is in my constituency. A bus lane was put in front of the college on the Kilcock road. Within a short period, Dublin Bus ceased providing the service on that route and it was difficult to figure out why this had happened. It would not have been foreseen given that the NTA would have been the funder for this.

Mr. Hugh Creegan: Did this did this happen a few years ago as I am not familiar with it?

Deputy Catherine Murphy: It is not that many years ago.

Mr. Hugh Creegan: Was Network Direct involved back then?

Deputy Catherine Murphy: It was certainly within the time that the NTA has been in existence. I found it difficult to understand why this happened.

Mr. Hugh Creegan: We would absolutely seek to avoid those sort of things happening, which is just bad planning. I would be disappointed if that happened in recent years.

Deputy Catherine Murphy: The type of fleet that the NTA buys is important in respect of the level of usage and, for example, for people with disabilities. I would not like to be the person being loaded onto one of the high-floor Bus Éireann buses. It is a bit of a scary experience. That is even if there is a space available on the bus. Is the NTA considering its future fleet from that point of view? Services need to be provided for people across the spectrum.

Ms Anne Graham: We agree with the Deputy that the high-floor coach is difficult for wheelchair users and even for those who have a mobility impairment who have climb up steps on such coaches. We went out looking for a new type of fleet to operate regional commuter services that would have a low-floor entry for wheelchair users and would be much more accessible for those with mobility impairment. We now have 52 of those coaches ordered and the first of those is operating between Sligo and Bundoran, and this assisted a wheelchair user to be able to attend college. It shows that when that type of vehicle is available, it certainly opens up more opportunities for wheelchair users.

Deputy Catherine Murphy: On the question of rail capacity which was raised in Ms Graham's opening statement, she mentioned a two-year interim arrangement and a five-year lead-in from order to delivery. I presume there is calibration and all sorts of stuff that happens after that. There are significant capacity issues at peak times in particular. I refer to that 24 month period. Has an order gone in or is that something that is still being considered? Where are we with that?

Ms Anne Graham: The business case has been completed and is with the Department for assessment. We understand it will go to Government for decision, after which the order will be placed straight away. A contract is already in place which is why that delivery can happen in 24 months.

Deputy Catherine Murphy: The clock does not start to tick until the decision is made. A new fleet has been announced on a couple of occasions and is still being considered.

Ms Anne Graham: We are in the middle of a procurement phase. We just completed the PQQ stage, on which Mr. Creegan might provide an update.

Mr. Hugh Creegan: Irish Rail and ourselves have already gone to the market looking for manufacturers. We have shortlisted a number of manufacturers and the tender documents will issue to them later this month. We hope that order will be signed sometime in the middle of next year. Delivery time periods after that will be very much dependent on which manufacturer is successful and what its order book is like.

Deputy Catherine Murphy: What is the best case scenario?

Mr. Hugh Creegan: Three years is the best case scenario and it could be four years depending on which manufacturer it is. It takes a lengthy period to design and manufacture heavy rail fleet.

Deputy Kate O'Connell: I thank the witnesses for coming in this morning. I am familiar with a number of them from the BusConnects meetings. How many members sit on the board? There are two who are directors and on the board but how many are on the board in total?

Ms Anne Graham: We have 12 members.

Deputy Kate O'Connell: Four are women.

Ms Anne Graham: Yes.

Deputy Kate O'Connell: So, that is the basic 33%. We had that here last week again. In terms of directors, is Ms Graham the only director that is female?

Ms Anne Graham: No.

Deputy Kate O'Connell: Of the executive directors.

Ms Anne Graham: Yes.

Deputy Kate O'Connell: How many executive directors are there?

Ms Anne Graham: Two. Myself and Mr. Creegan.

Deputy Kate O'Connell: That is 50%, which is an improvement. How has it improved overall? I assume there were no women previously.

Ms Anne Graham: In fact, we had a 50:50 board ratio.

Deputy Kate O'Connell: We are going backwards.

Ms Anne Graham: Unfortunately, a number of our female directors resigned and the membership is now 60% male and 40% female.

Deputy Kate O'Connell: Maybe we will have addressed that by the time we meet next year. Mr. L'Estrange mentioned the lease earlier. I want to get the timeline right following on from Deputy Catherine Murphy's questions. The NTA took over the taxi regulator in what year?

Mr. Philip L'Estrange: It was on 1 January 2011.

Deputy Kate O'Connell: The NTA was formed in 2009. The taxi regulator had a historic lease on a building for 35 years with an upward-only rent, which was standard at the time. Did the NTA challenge the lease? Clearly, it did not contain a break clause or the NTA would have gone for it, I assume. Did the NTA challenge the lease legally or seek to buy it out or make a settlement with the person who owned the building?

Mr. Philip L'Estrange: No.

Deputy Kate O'Connell: Why not? While upward-only rent leases were standard during the boom, once the crash took place it was normal to negotiate with whoever was in charge, often a bank. However, no attempt was made by the NTA to cut itself loose from a historic lease.

Mr. Philip L'Estrange: At that stage, funding was extremely tight and we would not have had the quantum of money required to buy out such a lease.

Deputy Kate O'Connell: It was €170,000 a year for 35 years. We have had other instances here and there were lots of instances in the private sector where significant value was achieved. My point is that there was no attempt to do that.

Mr. Philip L'Estrange: The solution we got was an optimal one.

Deputy Kate O'Connell: I did not ask Mr. L'Estrange that. Was there any attempt?

Mr. Philip L'Estrange: No, because the solution we had to hand was a very profitable one for the public sector in general.

Deputy Kate O'Connell: There was a building on Fitzwilliam Street that was occupied by the taxi regulator and subsumed by the NTA. The NTA is subletting it to another company and the shortfall is €90,000. The NTA is paying that every year until the lease runs out.

Mr. Philip L'Estrange: Yes. The other side of the coin is that the NCCA is benefiting from that lower rate and is also in the public sector.

Deputy Kate O'Connell: The NCCA is subletting it.

Mr. Philip L'Estrange: Exactly.

Deputy Kate O'Connell: It is all going round the same pot.

Mr. Philip L'Estrange: The saving is contained within the public sector.

Deputy Kate O'Connell: However, the benefit is going to a private operator who holds the 35 year lease.

Mr. Philip L'Estrange: When it was originally leased back in 2006, it was a lease contract and not easily rescinded. If we were to buy that out, it would have required a multi-million euro settlement. As such, we thought consolidating the CTR staff back in NTA headquarters and realising savings by having one IT system and one-----

Deputy Kate O'Connell: I understand the rationale and streamlining. The NTA regulates clamping. Is there any other group it took under its umbrella that was based in an office with a huge lease over 35 years? Is there any other historic lease going on?

Mr. Philip L'Estrange: No.

Deputy Kate O'Connell: It is not satisfactory that no attempt was made. At that time, one could not logically estimate that it would have been 35 times €170,000, give or take a few per cent. In the real world, that is not what happened. People either defaulted and went to court or people went to the negotiating table and went through mediation. That is the way one does business. I acknowledge that there were savings, but it is a very expensive lease. Was it considered before the NTA took on the taxi regulator that its outgoing bills would have to be taken on?

Mr. Philip L'Estrange: There was a large planning exercise to integrate the two organisations. That was the considered outcome.

Deputy Kate O'Connell: It was no surprise.

Mr. Philip L'Estrange: No.

Deputy Kate O'Connell: I congratulate the NTA on the free Leap card initiative for children over the summer. It was a very good initiative and I saw from being on buses that people used it. Has the NTA carried out any qualitative analysis of uptake and registering of cards? Anecdotally, I know many people bought their children Leap cards and registered them. It was

a brilliant initiative and one I would love to see extended. I would love to see free travel for all schoolgoing children because if parents were saving €20 or €30 per child per week, they would switch even though it is inconvenient. It is a cultural change, as the witnesses know, to go down and get the No. 11 bus to Clonskeagh rather than to hop in the car. In my part of Dublin, which is very urban and in which people use public transport, there was an increase in uptake. What sort of figures has the NTA got from it and what is the plan for the future?

Ms Anne Graham: This was not the first year we ran Kids Go Free. We have been doing it for a number of years. What changed this year is that we moved from a two week campaign to a four week one. That is what really caught people's imagination. Certainly, it has been successful. Mr. Gaston has the figures.

Mr. Tim Gaston: The growth was phenomenal. The fact that it was four weeks seemed to catch people's imagination to a considerably greater extent than the two weeks. Irish Rail was up 131%, Luas was up 118%, Go-Ahead was up 110% and Bus Éireann was up 137%. There was a huge increase in the number of children travelling compared to the previous four-week period. Since then, we have done some analysis, which is hard and we do not want to ascribe too much to it. However, we have seen greater sales of Leap cards in August than is typical because it is over the school holiday period. Coming into September, card sales were still higher than they have ever been. The use of Leap is upward only at present. We will carry out more research to determine, if we can, how much of that is attributable to Kids Go Free. There is no doubt that there was more adult travel in that period and subsequently. What we are trying to do more than anything else is establish that travel habit for children. If children use public transport, they will continue to do so. That is why we discount child and student fares. We agree with the Deputy and would like to see the scheme expand.

Deputy Kate O'Connell: What about the impact on other users and capacity of the figures Mr. Gaston quoted? Did extra services have to be scheduled to avoid annoying existing users? Was the NTA able to facilitate Kids Go Free within current capacity?

Mr. Tim Gaston: By and large, the answer is "Yes". There were one or two places where additional vehicles had to be scheduled. Interestingly, that was particularly the case within rural transport. For example, in Waterford a bus would turn up and there would be a large number of kids and some older people waiting to get on. It would be necessary to get a second vehicle from the depot. It was a good way to use that capacity because things are generally quieter for public transport during the summer.

Deputy Kate O'Connell: I was very supportive of it. I know it happened in previous years. The four weeks were good because after going to the bother of buying the card and registering, people got value for their time especially if they had a few children. We have spoken at so many other meetings about a cultural change in the area of public transport and the idea of getting people out of their cars. If that is not fostered in children, they will not suddenly hop on a bus after being ferried around in a car until they reach 18. It was a great initiative and I would love to see it expanded next summer. If schoolchildren in the busy city areas got transport free, that would be a huge incentive for parents.

There was an advertising campaign in bus shelters in respect of the BusConnects proposal. I have been told that, before tax, €77,000 was spent on print and design. Is that true? As Deputies, we spend a lot of money on print and design but €77,000 is a great deal.

Mr. Hugh Creegan: That was an overall figure for placement.

Deputy Kate O'Connell: Did that include the placement in bus shelters?

Ms Anne Graham: Yes.

Deputy Kate O'Connell: Does Mr. Creegan have a figure for how that was broken down into print, design and bus shelters. I know they are expensive to rent but €77,000 would pay for a lot of them.

Mr. Hugh Creegan: I do not have that information here.

Deputy Kate O'Connell: Will Mr. Creegan get that to us?

Mr. Hugh Creegan: I can of course.

Deputy Kate O'Connell: It seems like an extraordinary sum of money. If it incorporates the rent of the shelters, that is significant but I would also like to know if the NTA hammered out a deal. Did it get a discount for a cycle because there will be more in the future? Even in politics, we hammer out deals to use those for advertising.

Has the NTA carried out an analysis of the effectiveness of that campaign? My experience in the area in which I operate is that people felt information was scant. It may have sparked people to go online and carry out some more research but many constituents contacted me to say they found no value in the advertisement that was at the bus shelter. Was there any feedback on whether it offered value for money?

Mr. Hugh Creegan: No, we have not done a retrospective analysis on effectiveness. The purpose of it was to point people to our website where there was a lot of information on the various core bus corridors. We did not carry out a post-campaign review.

Deputy Kate O'Connell: It did succeed in directing people to the website but we need to know how that was broken down and its effectiveness because it is taxpayers' money. So many people cycle into the city now. It has changed dramatically in the past ten years. I almost feel at times as if the NTA evolves rather than jumps in the context of the way in which transport develops. In other words, because there are now cars, buses and bikes sharing the same lanes, it has decided to move towards segregation. So many people cycling into the city and they are putting their lives at risk on the roads. In terms of equality, how can the NTA justify spending predominantly on buses and not skewing it more towards cycling, which does not lead to carbon emissions and is healthier for people? How will it redress that imbalance in order not to be just catching up next year? Will it grasp the nettle and resolve the problem?

Ms Anne Graham: We have an infrastructural imbalance not just in the context of cycling but also when it comes to buses, trains and light rail. There needs to be investment across the board. We are not distinguishing between or favouring one over another. We want to provide for the modes equally.

Deputy Kate O'Connell: What percentage of the NTA's budget goes to cycling?

Ms Anne Graham: We have said that we have not had enough-----

Deputy Kate O'Connell: How much of the budget is allocated in respect of cycling?

Ms Anne Graham: I will have to do the percentages but we have already stated that we are catching up. We have not been able to put as much funding into walking and cycling as

we would have liked. We have established a new cycling design office in order to speed up the delivery of the infrastructure for cycling. That office is in place and will start designing and planning for new infrastructure. There has been difficulty in getting projects through planning in light of local authorities' planning mechanisms. There are many problems in the delivery of walking and cycling infrastructure.

Deputy Kate O'Connell: Proportionately, how much of the budget goes on walking and cycling versus motorised transport?

Mr. Hugh Creegan: Two thirds of our funding to local authorities which is the main way we get the infrastructure on the roads is given to cycling. Overall, the objective is to get 10% of our infrastructure spending given to cycling.

Deputy Kate O'Connell: How can the NTA justify that in terms of the balance of the figures? Proportionately, how many people use bikes over buses? Is it a 50-50 split? How is it spread?

Mr. Hugh Creegan: A far higher number come in by bus than on bicycles.

Deputy Kate O'Connell: How much higher? Would it be twice as many?

Mr. Hugh Creegan: It is at least twice as many.

Ms Anne Graham: It could be three times as many.

Deputy Kate O'Connell: Even if it is three times as many, allocating 90% of the funding in one direction does not seem very equal.

Mr. Hugh Creegan: The BusConnects plan does not refer only to buses. A big part of it relates to cycling facilities. They are the corridors that we need to invest in to get the people coming into the city centre. We do not have good cycling facilities on those corridors. Through that project the intention is to put in really good safe infrastructure to get more people cycling. A high percentage of that overall project will relate to cycling.

Deputy Kate O'Connell: I do not think it is acceptable that 10% is going on one third of the people but perhaps the NTA will address that over the coming years.

The NTA released a video to show traffic delays on the Lower Kimmage Road in Harold's Cross. This was the subject of much irritation and anger in the constituency of Dublin Bay South. It emerged afterwards that the NTA had heavily edited the footage and in my view and that of my constituents it misrepresented the situation. The NTA did take it down when it was challenged and admit that it had skewed the depiction of the information. How much was spent on that video or maybe I should call it propaganda?

Mr. Hugh Creegan: I do not have that figure here. I will get it separately for the Deputy.

Deputy Kate O'Connell: I would like that figure. This is the Committee on Public Accounts and the NTA is spending taxpayers' money on a video which it edited. It then took down the video and it really annoyed people.

Mr. Hugh Creegan: The background is slightly different. We used a time lapse camera to identify the traffic flows at various locations on that route and out of that we got a certain length of video footage. We asked the person who did it to provide a shorter piece that could be put on

Twitter. We can only put up short segments on Twitter. In developing that shorter piece, he did not put the correct time against the pictures. As soon as we became aware of that the following day, we had it removed. That is the background to the matter. I do not have information on how much exactly that work cost, but we would be happy to get it for the Deputy.

Deputy Kate O'Connell: I would like that information. Are there other examples of this sort of waste in respect of BusConnects specifically?

Turning to outsourced placements, the NTA had a recruitment embargo and could only employ a further 80 people. Is the NTA's ratio between outsourced and regular staff essentially 50-50? Ms Graham mentioned that, although the NTA would shed some of the contracted staff when it received its full staff complement, it still wanted to keep a few. Why is that the case? It is an honest question. Why can the NTA not have in-house expertise?

Ms Anne Graham: We can have both. We do not know what is coming down the tracks, for example, what the economic environment will be next year. We need to keep some flexibility as an organisation in order that, if our funding levels are reduced, we have the ability to downsize if necessary. That is why we would retain some flexibility.

Deputy Kate O'Connell: So that the NTA could shed 30% and still do its job and fund itself.

Ms Anne Graham: Yes.

Deputy Kate O'Connell: Someone mentioned that outsourcing cost twice as much. Does that figure include pension entitlements and so on?

Mr. Philip L'Estrange: The two times ratio includes pensions, employer's PRSI, the service provider's margin and so on. All of that is included in the premium.

Deputy Kate O'Connell: Are some of the 150 or so staff in question transient? Do they come in for a week and leave again or does the NTA know them all because they are sitting there all of the time?

Ms Anne Graham: The majority are known to us. They have been with us for a-----

Deputy Kate O'Connell: In terms of employment rights, is a dodgy situation emerging whereby, since the NTA is contracting in and paying the bill, those people can claim that they have pension entitlements or that they are permanent staff because they have been sitting there for ten years?

Ms Anne Graham: No, we are careful to ensure that they are not able to assert employment rights.

Deputy Kate O'Connell: Yesterday, information emerged regarding a similar situation in respect of hospital consultants whereby cuts did not realise savings. Is there aggravation between the NTA's staff because, for example, someone is costing twice as much as the person sitting beside him or her? Is that a HR issue or is no one very concerned?

Ms Anne Graham: Not currently.

Deputy Kate O'Connell: Ms Graham is happy enough with the situation. Mr. Gaston mentioned the list of cards to be blocked that the NTA gets. Is that list anonymised? He did not

mention whether it was.

Mr. Tim Gaston: Yes, it is the same as the original list. It contains the electronically read number, which is all we need. We do not need or want any other information.

Deputy Kate O'Connell: The number on the PSC is coded to the reference number that the NTA gets. The NTA cannot put that number into any machine and find out that it equates to me, for example.

Mr. Tim Gaston: No.

Deputy Kate O'Connell: I thank the witnesses for their time.

Chairman: Before I call Deputy Cullinane, Deputy O'Connell asked that various items of information should be submitted to us through the secretariat.

Deputy David Cullinane: I was not going to ask questions about the number of employees and contract issues, but I was not aware of how large the number of staff who are not directly employed by the organisation was. Will the witnesses give the figure again? I am looking for the number of staff who are directly employed and the number who are on contracts, be they employed by a company to which the NTA is outsourcing or staff who are contracted to deliver a service directly. I am looking for the overall number and the percentage breakdown between the two categories.

Mr. Philip L'Estrange: I can provide the numbers as of this month. Currently, we have sanction for a headcount of 140 permanent employees. We received an increase last December to hire a further 26, which are included in the 140. As such, we have already begun addressing the imbalance. At present, we have 149 outsourced placements.

Deputy David Cullinane: How many people are employed directly?

Mr. Philip L'Estrange: We have 140 permanent sanctioned positions.

Deputy David Cullinane: Separate to that, how many are on contracts?

Mr. Philip L'Estrange: One hundred and forty-nine.

Deputy David Cullinane: There are more people on contracts than are directly employed.

Mr. Philip L'Estrange: Correct.

Deputy David Cullinane: Few organisations in the public sector have a ratio that is so high. It seems extraordinary.

Mr. Philip L'Estrange: Under the strategic resourcing plan, we aim to get to the 70:30 ratio in three phases.

Deputy David Cullinane: But the NTA is not there yet.

Mr. Philip L'Estrange: No.

Deputy David Cullinane: Let me establish the facts. The NTA has more people who are on contracts than are directly employed. Are they classed as self-employed?

Mr. Philip L'Estrange: We generally go out to public procurement tender. We have a ten-

der for provision of services. The contractors are placed with us through those contracts. Their employers are the service providers, not the NTA.

Deputy David Cullinane: Yes, but are any of those on contracts deemed to be self-employed?

Mr. Philip L'Estrange: No.

Deputy David Cullinane: Has the NTA any obligation in terms of pension entitlements or holiday pay?

Mr. Philip L'Estrange: No.

Deputy David Cullinane: Do they get those entitlements from their employers?

Mr. Philip L'Estrange: Correct.

Deputy David Cullinane: That is something. We have examined this issue in the context of RTÉ and other public bodies where there were increases for different reasons. Still, this ratio seems extraordinary. Will our guests provide a clear note on why it happened? Ms Graham mentioned that it was partly because, when the moratorium was put in place during the crash, the NTA had no choice but to outsource. However, the ratio seems extraordinarily high.

Chairman: When sending that note, the NTA might provide a breakdown of the 149 people who are on contracts. Is there a company in town supplying ten, 20, 30 or 40 of them? Probably one or two employment agencies or consultancy firms are supplying a lot of these people. The breakdown should show who is providing them.

Deputy David Cullinane: Just so we are clear, is it possible that some of those who are on contracts are also on contracts with the companies in question? They could very well be classed as self-employed because they would be on contracts for service rather than contracts of service with those companies with which the NTA has entered into contracts.

Mr. Philip L'Estrange: We have aimed to safeguard against that in our contracts by making it explicit that these people are to be employees of the service providers.

Deputy David Cullinane: That is in all of the NTA's contracts. The NTA can categorically say that no one could be categorised as self-employed.

Mr. Philip L'Estrange: We can categorically say that it is in all of our contracts, as we require it as a contractual parameter.

Deputy David Cullinane: Our guests might provide that to us, along with the breakdown, in a written note.

Mr. Philip L'Estrange: Sure.

Chairman: I will pick up on that point. In all our years here, we have never seen any State body where more than 50% of its day-to-day workforce was contracted in. I have never encountered it before. It is extraordinary. Is the Department aware of how out of sync this is with every other public body? The NTA has sanction for 140 staff, but that does not even remotely address this issue. The cost of taking this route is detrimental to everyone involved. This was Deputy Cullinane's point, though, so he might address it to the Department for a response as to why it is funding so many contract staff instead of permanent employees.

Deputy David Cullinane: From a value-for-money perspective, the Department and the NTA could revert with information on how much it costs to employ the 147 or 149 people who are on contract as opposed to the 140 who are directly employed. From a cost-benefit perspective, would it be more expensive or cheaper to have them directly employed rather than contracted? I will put this question to Ms Hanlon and Ms Graham. Has an analysis been undertaken of what the cost savings might be were more of the workers directly employed? Perhaps Ms Graham could respond before Ms Hanlon.

Ms Anne Graham: We have done that analysis. There would be a saving of €10 million.

Mr. Philip L'Estrange: Approximately €10 million per year.

Deputy David Cullinane: That would provide for a great deal of investment in public bicycle sharing schemes and in local authorities' cycle lanes. That would be €20 million per year.

Ms Anne Graham: No, it is €10 million.

Deputy David Cullinane: It is a lot of money.

Chairman: I have a question for the Department about the Estimates process this year. Why did the Department seek an extra €10 million to pay for contract staff when it knew it could save that amount by increasing the permitted employment ceiling? The officials might not be able to answer that now, but they must address it. We have never seen a situation previously where over 50% of the employees are on contract at an excessive cost to the taxpayer of €10 million.

Deputy Catherine Murphy: It is 70:30.

Chairman: No, it is 50:50 now.

Deputy Catherine Murphy: Did the research that was done assume it is 70:30?

Ms Anne Graham: No, it is assuming it was 100% employment.

Chairman: We want a detailed note from both of you because it is a matter of concern for us.

Deputy David Cullinane: The Department could respond first. The officials are here and they may as well respond.

Ms Deirdre Hanlon: The Department has been engaged with the NTA for some time on its staffing position and helping it to work through its staffing needs, not just now but also into the future. We are working in the context of an agency whose capital budget will be increasing rapidly over the coming years. We are keen to ensure that it has appropriate staffing levels and appropriate approaches to dealing with the levels of money and investment it will have. One element of it is the question of the employment numbers and the status. As the authority explained, it has carried out a strategic staffing assessment, which we asked it to do. We asked it to look at this in some detail and to come up with a proper analysis of what is needed. In response to that, the Department has agreed a phasing arrangement whereby it is increasing its staff and changing the ratio over time. Part of that has been gone through already and it is working through it at present.

Deputy David Cullinane: A lengthy review process that involves deep levels of analysis is not necessary to come to the obvious conclusion, which we have reached, that it is costing

€10 million more and that there is a problem here. The logic of putting the moratorium in place as a result of the crash was that we had to reduce and contain our costs, yet it turns out that in many cases it cost us more. Not only were we not saving money, it was costing us more money. From a cost-benefit or a value for money perspective, it does not make sense. That is obvious to me and to the Chairman. We need to get that detailed note. Rather than telling us that there is more consultation, strategic analysis and so forth, what needs to change is obvious. Instead of giving us a note on the current situation, perhaps the Department could give us a note on how the transition to getting more of those people permanently employed is going to happen, the policy and process, and the plans of action being put in place. That is what we want to know. If we do not get that, depending on the response we get from both the Department and the NTA, we will continue to ask for it.

Chairman: Both the Department and the NTA know what we are seeking and they are aware of the issue. It appears to be just sitting there at a cost to the taxpayer.

Deputy David Cullinane: I will move on to public transport and policy development. First, I commend the NTA on the work it has done. I read its 2018 report, which was comprehensive. There have been many advances in public transport for which we can be thankful. There has been an increase in the use of public transport as well, which is good. I wish to examine, from a value for money perspective, how the NTA sees public transport evolving over the next ten to 20 years. Dublin, for example, is one issue. Obviously, projects such as metro north and BusConnects are two big developments in Dublin city. However, public transport outside Dublin is equally important. The national planning framework in the national development plan envisages regional cities. Galway, Limerick, Cork and Waterford are four regional cities. The plan envisages increasing the population in those cities, building capacity in them and for them to act as a counterweight to Dublin in terms of more balanced development and to ensure we do not overheat the capital city. We have to plan for that and for those population increases. Part of that must be public transport.

When looking at Galway, Limerick, Cork or Waterford, what criteria are used to assess what public transport systems should be in place? What modes of public transport must be put in place? Critical mass is obviously one element of it. The current population of my city of Waterford is 55,000. If that increases to 80,000, what changes? The same applies to Cork and Limerick. Is the NTA involved in that exercise of looking ten to 20 years into the future in the context of the national development plan? Second, has the NTA's analysis shifted or has there been a step change given that climate change, climate action, reducing emissions and ending, or at least reducing, car dependency are critical? How has that impacted on the policy development in these areas? Perhaps we can park the issue of Dublin for the moment, and I can return to it. In the cities I mentioned and in rural areas outside Dublin, what criteria would the NTA use to determine what type of public transport should be in place in a ten to 20-year timeframe?

Ms Anne Graham: It is usually the demand for transport, and that is modelled. We have regional transport models that cover the State. We have a transport strategy in place for Galway. That is now part of the development plan for that city. The transport strategy for the Cork metropolitan area was out for consultation and we have just completed it. We hope to finalise that transport strategy later this year. We are also assessing Limerick city for a transport strategy. That will be followed by Waterford early next year. We will carry out a comprehensive strategy to the same level that we have for the Dublin region.

Deputy David Cullinane: Why is the Waterford one behind the others?

Ms Anne Graham: We are doing it from a size perspective. That is all.

Deputy David Cullinane: Something struck me when Ms Graham referred to demand. I presume the modes of transport are based on demand. However, if one is looking at it through the lens of climate action, it is not just demand. Some people might see the car as king, but from an environmental perspective we may have to take measures not just to encourage people to get out of cars but also, perhaps, to go a step further than that. It is not just about demand. We are not going to decrease our carbon emissions and reach our climate targets under the Paris Agreement if we do not reduce the number of cars on the road. The only way we can do that is by having other modes of transport available to people. Looking at it solely from the point of view of demand will not get us to where we need to be.

Ms Anne Graham: It is not just current demand. It is projected demand as well. That is what is modelled.

Deputy David Cullinane: Perhaps I am looking at it wrongly when I say “demand”. One does not mean demand in terms of what people want. It is also what should be in place-----

Ms Anne Graham: Yes.

Deputy David Cullinane: -----to ensure we can get to a position where there is better integrated public transport, more options and people using them. We discussed the carbon tax earlier today. We will examine it with a different Department. It has been signalled that it will increase for the next ten years. If it does, that imposes more costs on people. People must know that alternatives will be available to them, not just in Dublin where there is relatively good public transport but also in areas such as my city of Waterford. Galway has traffic management problems and public transport issues. Limerick and Cork also need the same alternatives.

Ms Anne Graham: They do. We have been investing in the transport services of the Deputy’s city. We significantly improved the number of kilometres of public transport operations in Waterford. There are interim solutions to meet the increase in travel demand that is happening now, but for the future we must model and plan for what the transport demand will be. It can be influenced by Government policy. That has to be fed into the model to see what level of transport we must deliver for the demand that will exist in the future.

Deputy David Cullinane: I know those cities are all different, but density is important in determining what is possible in future. Critical mass is also important. For example, on light rail, are there any cities where it might become a possibility in the event of population increasing in line with the targets set by the national development plan?

Ms Anne Graham: Yes, Cork.

Deputy David Cullinane: Cork is the only one?

Ms Anne Graham: Yes, at present, in terms of the assessment we have done so far.

Deputy David Cullinane: In the other counties, looking ten years down the road, with a population increase of 50%, where is the increased investment required?

Ms Anne Graham: It is rail and bus.

Deputy David Cullinane: What kinds of improvements in rail would be involved in those areas?

Ms Anne Graham: I can only speak about Cork as it is where we have done the recent work. Much of the infrastructure is already in place in Cork. It would involve additional stations, some dualling of the lines and increasing the services as well electrification in future.

Deputy David Cullinane: I am glad that Ms Graham mentioned rail. In those areas, the national development plan refers to a steady-state investment when it comes to rail. I did not get any great urgency around a recognition of the need for dramatic drastic increases in rail transport in those areas outside Dublin, better connectivity between other cities and better direct lines to Dublin. What does steady-state investment mean from the NTA's perspective? What does it mean in the national development plan, and what does it mean specifically for those cities? Ms Graham said there was a focus on Cork, but what about other cities - Limerick, Galway and Waterford - over the next ten to 20 years? What about rural areas? I am referring to rail. I will turn to buses in a moment.

Ms Anne Graham: The national development plan is Government policy. On rail, the main investment is to ensure that we at least maintain the current infrastructure on a steady-state basis. The Government has put funding in place for that. Our responsibility in rail infrastructure and investment in it relates only to the greater Dublin area. We manage the capital investment for the Department in the regional cities and we undertake developing strategies for the regional cities, but we do so on a non-statutory basis. Setting policy related to rail is not our role or mandate.

Deputy David Cullinane: Would Ms Graham accept that we need to move beyond a steady-state investment, given the huge challenge of climate change, and be more ambitious?

Ms Anne Graham: Of course. A major investment in the national development plan is the DART expansion programme for the greater Dublin area. It sets out an investment of €2 billion over the next ten years for rail infrastructure.

Deputy David Cullinane: What about bike and ride facilities, park and cycle facilities, and park and carpool facilities? These are options that are being examined in cities in Europe. Some work better than others. How do they factor into the cities and towns outside Dublin?

Ms Anne Graham: Each of our strategies for the greater Dublin area and the regional cities set out that park-and-ride is an important part of the infrastructure delivery. We are putting together a park-and-ride strategy for the greater Dublin area. It will play a key part in all regional cities in moving people from the car to a sustainable infrastructure.

Deputy David Cullinane: The NTA's 2018 plan referred to the north quays strategic development zone in Waterford city. It is looking at an integrated public transport hub that would involve the current train station being moved onto the proposed north quays development, which would also connect with bus services. What role, if any, does the NTA have in encouraging and enabling that to happen?

Ms Anne Graham: Currently, the NTA plays no role in that. We have no role other than investing what the Department has made available for infrastructure in the regional cities.

Deputy David Cullinane: However, it was mentioned in the plan. Why was it mentioned in the NTA's 2018 plan as being one of the key projects for the south east?

Ms Anne Graham: Is that in the annual report?

Deputy David Cullinane: I think it is in the 2018 plan. It is the NTA 2018 annual report. It states that, “In the case of Waterford City, the Authority continued its work with Waterford City and County Council on the City/environs transport investment requirements, particularly in the context of the planning scheme for the North Quays Strategic Development Zone.”

Ms Anne Graham: I will ask Mr. Creegan to answer.

Mr. Hugh Creegan: Yes, we have been involved with the city and county council there, especially in relation to the bridge connecting across the river. That falls more under the NTA’s bailiwick.

Deputy David Cullinane: Therefore, there is a role for the NTA in the project. That is what I asked about. I asked what its role was in facilitating and enabling that from an integrated transport perspective and what supports it can give.

Mr. Hugh Creegan: We administer the Department of Transport, Tourism and Sport’s regional cities funds. In the course of that, we believe there is a role for supporting the development of aspects of those proposals, particularly the new pedestrian cycle bridge across the river as well as the greenway connecting up to it and other components.

Deputy David Cullinane: That is the NTA’s focus or bailiwick.

Mr. Hugh Creegan: Yes.

Deputy David Cullinane: Okay. I thank Mr. Creegan.

Deputy Marc MacSharry: This week the budget explanatory documentation indicated that the NTA was to receive additional moneys for current expenditure. We do not know how much that is yet. Perhaps the representatives here can enlighten us. It specifically said it was for staff. What staff or roles are involved? Are they additional staff, is it for filling new or old roles? Is it to fill a current expertise deficit?

Ms Anne Graham: We have not seen the details of the allocation. It would go towards the staffing plan that we put forward for the Department. It is a mix of new roles and some of the outsourced placements coming in-house.

Deputy Marc MacSharry: What added value will that give to the NTA?

Ms Anne Graham: There will be more stability in the organisation and there is also a cost reduction.

Deputy Marc MacSharry: It will replace the need to procure certain expertise, then, rather than getting it on a consultancy basis.

Ms Anne Graham: Yes, on an outsourced service basis.

Deputy Marc MacSharry: One of the NTA’s roles is to enforce EU passenger rights in rail, maritime, bus and coach transport. It relates to capacity, seating and all that kind of thing on bus and rail. Is that something the NTA is to keep an eye on?

Ms Anne Graham: That relates to particular regulations. There are rights set out for passengers about what they should expect under those regulations and standards associated with that. We enforce that if we receive any complaints about passenger rights.

Deputy Marc MacSharry: Would discriminatory pricing or an allegation of discriminatory pricing fall in there?

Ms Anne Graham: Not that I am aware of, no. That is not something that we would do.

Deputy Marc MacSharry: Has the NTA a role in pricing ticketing and so on?

Ms Anne Graham: We set the fares for all the subsidised transport throughout the State.

Deputy Marc MacSharry: What about Bus Éireann's route 40 from Dungarvan in County Waterford to Cork city?

Ms Anne Graham: That is a commercial service so that is not a route on which we set the fares.

Deputy Marc MacSharry: Bus Éireann has been questioned on the matter that I am raising and it indicates that it is the NTA's baby. I will tell the story and Ms Graham can react. Dungarvan to Cork city is route 40. It is a 75 km distance. Youghal is around the middle of it. Dungarvan to Youghal is about 27 km and then there is a further 48 km into Cork city. If I alight the bus at Dungarvan to go to work in Cork I pay €9.50 for my adult return. If Deputy Cassells beside me lives in Youghal and he joins me on the bus, about half way through the journey, he will pay €19 for his adult return. Can the NTA enlighten us as to why that might be the case?

Ms Anne Graham: No, because I think I am correct in saying that route 40 is a commercial service. It is managed fully by Bus Éireann.

Deputy Marc MacSharry: The National Transport Authority has nothing to do with that.

Ms Anne Graham: We have no role in any of the commercial bus services that are delivered across the State, including Expressway.

Deputy Marc MacSharry: In fleecing the Youghal commuter to Cork, this is exclusively Bus Éireann's baby.

Ms Anne Graham: Exclusively.

Deputy Marc MacSharry: If it were not a commercial service, would the authority have a view on the practice of charging the person going half the journey twice the price of the person going the full journey?

Ms Anne Graham: Obviously, that is not what we would like to see on our subsidised services. What we have been trying to do in terms of the work in our fares determination is simplifying the fares structure and ensuring that there is a distance-based fare put in place. While we know there are some anomalies, even in our fares that are delivered across the PSO services, we are working hard to get rid of any anomalies to ensure there is a fair distance-based pricing on our PSO services.

Deputy Marc MacSharry: On the basis that this is a commercial service and the NTA has no role, to Ms Graham's knowledge does anybody have a role in taking Bus Éireann aside to tell it to make it right because it is discriminatory?

Ms Anne Graham: That is for the passenger to complain to Bus Éireann.

Deputy Marc MacSharry: To whom would they complain?

Ms Anne Graham: To Bus Éireann.

Deputy Marc MacSharry: Bus Éireann may say, “Thanks for your complaint, but that is what it is anyway.”

Ms Anne Graham: That is how commercial services operate. The fares are set by the operator of those commercial services.

Deputy Marc MacSharry: We are funding Bus Éireann apart from its ticket charges. Have we no leverage to let it know that this is not on?

Ms Anne Graham: Its commercial services are not funded by the State. They are funded-----

Deputy Marc MacSharry: However, the company is. Let us pull away the company, Bus Éireann-----

Ms Anne Graham: The company is funded for its PSO services and for the delivery of school transport services. It has to stand on its own two feet, as it were, when it comes to its commercial services. Otherwise it would be considered-----

Deputy Marc MacSharry: So no one has any role here. This is a commercial mandate of Bus Éireann, and if it can get away with fleecing the people of Youghal, then more power to it. Is that our view?

Ms Anne Graham: I cannot comment any further other than to say-----

Deputy Marc MacSharry: Would the Minister have a role there?

Ms Anne Graham: I am not going to comment any further other than to say it is up to Bus Éireann to set the fares associated with its commercial services and we do not have any role or any mandate in that.

Deputy Marc MacSharry: In light of Ms Graham’s proximity to this matter, was she aware of the case I just outlined?

Ms Anne Graham: I only became aware of it a number of weeks ago because I think there was some confusion about whether the NTA had a role to play. We clarified that the NTA does not have a role.

Deputy Marc MacSharry: The NTA has no role. I understand that perhaps in the municipal area of Cork County Council, Bus Éireann attended and indicated that the NTA had a role in that aspect. It does not.

Ms Anne Graham: No.

Deputy Marc MacSharry: That is clear. To be helpful to us, would Ms Graham have knowledge that this is being replicated in other cases?

Ms Anne Graham: Not across the commercial services. All we have responsibility-----

Deputy Marc MacSharry: I understand that. Ms Graham became aware of this a couple of weeks ago. Are there other cases she would be aware of where, albeit not the NTA’s responsibility-----

Ms Anne Graham: Nothing has come to my attention in recent months.

Deputy Marc MacSharry: Nothing has come to her attention. Therefore, this could be an individual case or it could be happening in every county in Ireland, but it is on the commercial side and not on the NTA's side. Is that fair?

Ms Anne Graham: I can only comment on those PSO services.

Deputy Marc MacSharry: Chairman, this is something we might like to raise with Bus Éireann. The example I gave is true and it certainly would be highly discriminatory against the people of Youghal in particular. If it is the practice nationally, it needs to be investigated. I know the Joint Committee on Transport, Tourism and Sport may take a view. We are funding this company in some way, albeit for a different aspect of the service.

Chairman: We might write to Bus Éireann on that issue.

Deputy Marc MacSharry: I think we could. We could usefully have its representatives in. It is about value for money. While I appreciate we are not funding it for its commercial services, it is in the public interest that we would have some leverage with this company to follow fair pricing practices for people.

Chairman: While I acknowledge that, as a commercial semi-State body, it is not audited by the Comptroller and Auditor General and not answerable to the Committee of Public Accounts.

Deputy Marc MacSharry: Maybe the Department of Transport, Tourism and Sport-----

Chairman: In any event it has been raised now. It might be in the company's interest to respond to us just to deal with the matter. We will write and it is up to it to reply or not. It cannot be compelled to reply or appear on that issue, but I would hope it would reply. We will send a letter.

Deputy Marc MacSharry: If I buy a ticket on any of the PSO services, do I have a right to a seat under EU passenger rights obligations?

Ms Anne Graham: It depends on what service the Deputy is-----

Deputy Marc MacSharry: Does it imply that a person is entitled to a seat on a bus and not a train?

Ms Anne Graham: A person is not entitled necessarily. He or she is entitled to travel on the rail fleet. That does not necessarily entitle that person to a seat unless he or she has a seat reservation in terms of rail. Obviously, there is provision for standing passengers on the urban bus fleet. On the interurban fleet, all passengers have to be seated. That is the requirement. Over a certain speed, they need to be seated.

Deputy Marc MacSharry: On trains, a person does not have a right to a seat unless he or she reserves a ticket.

Ms Anne Graham: A person is purchasing the right to travel, not necessarily the right to-----

Deputy Marc MacSharry: If I buy a ticket online for the train, am I entitled to a seat then?

Ms Anne Graham: If the Deputy does a seat reservation, that is the only means of ensuring

he has a seat.

Deputy Marc MacSharry: If I make a seat reservation, I am entitled to that seat.

Ms Anne Graham: That is why it is a seat-reservation mechanism.

Deputy Marc MacSharry: If it is the Sligo to Dublin train and I reserve my seat, but I am getting on the train in Longford and there is someone in the seat and there are no spare seats because it is full, what happens?

Ms Anne Graham: The person would be obliged to leave the seat.

Deputy Marc MacSharry: It is up to me to enforce that and say, "Look, you're in my seat. Hop it."

Ms Anne Graham: That is usually the case.

Deputy Marc MacSharry: If that person says, "I'm not going. Tough.", how would we enforce that?

Ms Anne Graham: There is no enforcement of that when it is only between two individuals. Irish Rail is moving towards having customer agents on the trains so that they can intervene in these kinds of cases.

Deputy Marc MacSharry: Therefore, Irish Rail would have staff members on each train other than the driver.

Ms Anne Graham: On the intercity, yes.

Deputy Marc MacSharry: When will that happen?

Ms Anne Graham: It will be happening fairly soon. I do not have a date at this stage. It is a matter for Iarnród Éireann and it is engaging with its staff to ensure it can deliver that.

Deputy Marc MacSharry: In terms of transport police, how do we compare with rail providers internationally?

Ms Anne Graham: I do not have any particular statistics in terms of rail police. We have not really looked at that matter, so I cannot really comment on it. I am happy to carry out some investigation, but at the moment-----

Deputy Marc MacSharry: It would be interesting because there is considerable talk, both from rail staff and commuters, about antisocial behaviour. The response so far has been a texting service as opposed to customer agents or security. It would be very useful to get something on that.

I return to the seat issue. If a person reserves a seat, he or she gets that seat. Is it correct that if I am a disabled person with a travel pass, I cannot reserve a seat online? I cannot book a ticket.

Ms Anne Graham: I think there is a facility if a person has a free travel pass to reserve a seat, but I would have to clarify that.

Deputy Marc MacSharry: My information is that such a person cannot reserve it online. He or she can go to the station and say, "Here's my free travel pass. Obviously, I am physically

impaired and I may need a seat for my companion.” My information is that someone with a free travel pass cannot reserve online. He or she can turn up at the station and be at the mercy of availability of a seat then.

Ms Anne Graham: My understanding is that such a person can book online, but there may be a booking fee associated with that.

Deputy Marc MacSharry: If there is a booking fee, it is not free travel.

Ms Anne Graham: It is not fully free, but to ensure that such a person has the facility for a seat, there is, I think, a booking charge.

Deputy Marc MacSharry: Does the NTA have a role in this? As the authority, could it direct Irish Rail to permit free travel pass holders the ability to book online without a fee?

Ms Anne Graham: That is certainly something we can look at with Irish Rail, yes.

Deputy Marc MacSharry: While it is a matter for the committee, of course, in my personal capacity I respectfully ask Ms Graham that she do that. Many free travel pass holders are vulnerable, disabled or elderly and may have a greater need to have that seat and the ability to reserve it than an able-bodied person like me who could stand.

On rail capacity, the delivery of additional cars is due in 2023. Is that correct?

Ms Anne Graham: For the 41 ICRs it is-----

Mr. Hugh Creegan: It is the end of 2021 or early 2022.

Deputy Marc MacSharry: Let us say two full years from now.

Ms Anne Graham: Yes, that is correct.

Deputy Marc MacSharry: Will the National Transport Authority have any role between now and then in instructing Irish Rail, or rail providers, to introduce other emergency measures to deal with the major capacity problems that are causing the commuting misery people are suffering? I will again use the example of the Sligo line. By the time the train gets to Longford it is full, but some 50 passengers are trying to get on at that stop. They have to try to squeeze in as best they can. Would it be possible to make buses available that would travel directly to Connolly Station in Dublin? That is what is necessary to deal with the increasing difficulty in securing capacity. There is a need for some interim measures to deal with the problem. I refer to the carbon tax and people using public transport. At the same time, however, we are not able to facilitate increased usage. Stating there will be new cars in 2022 is hardly an immediate solution. Are other measures being encouraged, looked at or directed by the National Transport Authority? Will it give a direction that buses will have to be on hand when trains are too packed? It could be a case where someone has a choice between being squeezed up against a window on the train or taking the bus directly to Connolly Station. In that case, the train ticket would be still be valid.

Ms Anne Graham: We are considering that option. It is not something we would mandate the operator to do, but it is something we might consider to provide services in the interim. It would, however, require tendering for those services and also determining whether it would be possible to get a fleet of buses, as well as drivers. The committee need to be aware that some operators, certainly in the Dublin region, are finding it difficult to recruit drivers. We are, there-

fore, coming up against a possible capacity issue in even delivering bus services because of that recruitment issue.

Deputy Marc MacSharry: The recruitment of-----

Ms Anne Graham: Drivers.

Deputy Marc MacSharry: There is a shortage of drivers and rail carriages. Are there enough buses, if one could manage to find drivers?

Ms Anne Graham: We will have enough buses.

Deputy Marc MacSharry: In the short term. There is potential, should Irish Rail agree, for the National Transport Authority to provide encouragement and the Government to fulfil whatever its role is to provide buses at all of the stations which are flashpoints in ensuring capacity at peak times.

Ms Anne Graham: It would be a difficult process to manage, but we are certainly willing to look at the idea. I am referring to examining what can be provided in the interim.

Deputy Marc MacSharry: It should be done. Staggering journeys is not practical for working people. They cannot state they are going to catch a later train to a factory and request that production be delayed accordingly. We are not going to be able to have the diversity of industry and businesses that would allow the staggering of hours to facilitate a solution to the problem of the deficit in public transport.

Ms Anne Graham: Some employers could, however, look at facilitating it.

Deputy Marc MacSharry: Possibly and we encourage them to do so, where possible. The National Transport Authority oversees this sector, from a PSO perspective, and we urgently need to come up with options to increase capacity. Having extra capacity in 2022 is not really a solution. If people do what we are asking them to do in dealing with climate change, these problems will get much worse by 2022. Providing accessibility funding for transport operators and relevant bodies is another role undertaken by the National Transport Authority. When we refer to “accessibility”, does it mean dealing with issues related to disability such as providing lifts on buses?

Ms Anne Graham: The funding has gone to a number of areas, one of which is the wheelchair accessible grant for small public service vehicles. Another is retrofitting some of our bus and rail stations with lifts to ensure access.

Deputy Marc MacSharry: Is there a programme in place to ensure all PSO vehicles, including Bus Éireann buses, are wheelchair accessible?

Ms Anne Graham: Yes, there is. All of our city fleet buses are wheelchair accessible. The coach fleet operated by Bus Éireann is 85% wheelchair accessible. It involves using a wheelchair lift. The difficulty with that technology is that it requires a great deal of space to use at a bus stop. There are not many wheelchair-lift accessible bus stops in rural towns, which presents a difficulty. We do, however, have a programme to have such bus stops. At the same time, we are looking at the fleet, particularly regional commuter services, and providing low floor access, instead of wheelchair lifts. That would remove the need to have the same space to operate. We have an order in for 52 such vehicles, some of which are in operation.

Deputy Marc MacSharry: I have just one question remaining after dealing with this issue. What is the timeframe for achieving 100% coverage?

Ms Anne Graham: Is the Deputy referring to everything, including rail and bus transport services?

Deputy Marc MacSharry: Yes.

Ms Anne Graham: It depends on the level of funding we receive. It will take some years for it to happen.

Deputy Marc MacSharry: Five or ten years.

Ms Anne Graham: At least ten with the current level of funding.

Deputy Marc MacSharry: It will be at least ten years before there will be 100% coverage.

Ms Anne Graham: That includes coverage across all rail services.

Deputy Marc MacSharry: Achieving wheelchair accessibility on public transport services will take ten years, given current funding levels. I appreciate that the National Transport Authority is not in charge of the funding it receives. My last question concerns Leap cards. How many are there?

Ms Anne Graham: More than 4 million have been sold.

Mr. Tim Gaston: The number of Leap cards in circulation is 4.3 million. Many of them are not in regular use. For example, student cards are refreshed every 15 months. Just over 1 million cards are in active use, but some 4.3 million have been sold since the start of the scheme.

Deputy Marc MacSharry: Is it true that by the end of next year there will be more Leap cards in existence than people living in the State?

Mr. Tim Gaston: That is a possibility or probably quite likely.

Deputy Marc MacSharry: How and why could that happen? I do not have a Leap card.

Ms Anne Graham: I am disappointed to hear that.

Deputy Marc MacSharry: Ms Graham is right, I have to get with the programme. I should have one.

Ms Anne Graham: That is true.

Deputy Marc MacSharry: I am just wondering how there could be 4.3 million cards. How could there be more Leap cards than people in the State by the end of next year? Are people getting two and three cards?

Mr. Tim Gaston: I have three or four. If I have someone staying in my household, I always give them a Leap card. As I live in the greater Dublin area, visitors can travel in and out of the city using my Leap cards. The student version has also been replaced. The cards that are no longer valid are included in the figure also. We do not sell great numbers of visitor passes, but they are included in the overall figure. I am referring to one-off passes and those sold for two or three weeks to language students, etc.

Deputy Marc MacSharry: Anyone lucky enough to receive an invitation to Mr. Gaston's home has free travel.

Mr. Tim Gaston: I did not say I put credit on the Leap card. I just stated I gave them the cards. Ours is no different from any other similar scheme. Let us compare the situation in Dublin with that in London where there are 50 million Oyster cards. The situation is similar in Hong Kong. People buy them, lose them down the back of the sofa and then go and buy another one. We ran a campaign to encourage people to come and obtain a refund on their old Leap cards, but there was little take-up.

Deputy Marc MacSharry: I am sure it is not vast. What is the increased cost to the National Transport Authority of so many cards not being used?

Mr. Tim Gaston: The cards cost about €3 each. There is, therefore, a cost to us in providing them. We ask everybody to put a deposit on the cards when they first buy them. That offsets the risk of them travelling further than the value on their Leap card would allow them to do. In reality, we have ended up with a slowly increasing sum in what we call the "dormant account". That is why we ran the campaign to try to encourage people to take back the money we were holding on their behalf.

Deputy Marc MacSharry: Would it be better if everybody just had one card?

Mr. Tim Gaston: They are at relatively low cost. There is a deposit of €5 that can be used for travel. It is not as if it is an investment which is of no use. I encourage people who travel even occasionally on the network to get a Leap card. I made a calculation recently. Something like 77% of all journeys in the State are made using either a Leap card or a free travel pass. It is by far the most common way to travel.

Deputy Marc MacSharry: That is fine. I thank the witnesses.

Chairman: To conclude, the National Transport Authority will send us a detailed note on the issue. It must cost a great deal to keep the software in place that keeps cards alive. Sometimes when one buys a store card, for example, the value diminishes because it is stated there is a cost to keeping it alive. The cards must be kept valid somewhere on the system. At what stage is a card deemed to be dormant and how much is in the dormant account?

Mr. Tim Gaston: I am not sure if we can give the exact numbers now, but there is no cost to keeping cards alive. It is just a record on the database and there is no cost in maintaining it. The cardholder could recoup the card value, if he or she choose to do so. We took advice from those who ran other similar schemes when we initiated the Leap card. We put a two-year period on the card. The terms and conditions state that after two years the NTA has the right to take back the funds. We have, however, chosen to not do so. Even if the card is five or seven years old, it will still operate if taken to a machine. If the person brings it to the NTA or one of the other mechanisms, we will refund it in full. Mr. L'Estrange will respond on the issue of dormant accounts.

Mr. Philip L'Estrange: For cards that have not been used for more than five years, the figure amounts to €1 million.

Chairman: This is the first time I have heard the phrase "dormant account" in relation to the NTA. That is why I pursued the matter.

Deputy Shane Cassells: I thank all of the team from the NTA for the reports. It is great to have the witnesses here. The NTA's remit includes developing an integrated transport system in the greater Dublin area. On Tuesday last, a report was published jointly by Kildare and Meath county councils on the experiences of commuters. This is an extensive piece of work on the experiences of commuters. The findings of the report are of major significance to the Government and statutory transport bodies such as the NTA because Kildare and Meath are the two counties within the greater Dublin area that have experienced the largest increases in population in the past two decades. Having served on a local authority for 17 years, I know that the explosion in population in certain areas is a direct consequence of national and regional policies on where population bases should be located. If a geographical area has experienced a population explosion, one would expect the Government and statutory body agencies to pursue policies to provide services in a range of areas, from education to healthcare to transport, especially given that these urbanised areas are a consequence of policy.

Some of the statistics from the report published on Tuesday made for interesting reading. More than 40% of commuters would take a pay cut to have a job closer to home, such is the hellish experience of their commute. The average journey time for people in these commuter counties is 70 minutes. The daily commute of 43% of respondents takes more than 90 minutes and for 12% of respondents it takes in excess of two hours to get into the city. A total of 53% of male commuters leave their homes before 7 a.m. This is an interesting statistic because the peak hour used in the NTA's Navan corridor study, which was part of its transport strategy for the greater Dublin area, was 8 a.m. to 9 a.m., whereas the report by the two local authorities found that 53% of male commuters and 45% of female commuters leave for work before 7 a.m., with 16% leaving before 6 a.m. The peak commuter hour in County Meath where I live, County Kildare where Deputy Murphy lives and County Louth where Deputy Munster lives is 8 a.m. to 9 a.m. People leave for work at that time because there are no viable alternatives. Anyone from my home town who is on the road later than 7 a.m. will have a two-hour commute. This has consequences for family life, social structures and mental health. Every day, 33,000 of my constituents commute to Dublin for work, the vast majority of them by private car. According to the study published on Tuesday, of the commuters who are lucky enough to be able to avail of public transport, 56% of those in County Kildare and 64% of those in County Meath were unhappy with the cost of the commute. Have the witnesses seen the results of the analysis published by the two local authorities on Tuesday? What are their thoughts on some of the statistics I cited on the duration and costs of commuting and the experiences of commuters?

Ms Anne Graham: I have not seen the report. I imagine that the two local authorities will share it with us and we will certainly seek a copy. It is no surprise that commuting journeys are increasing. The CSO, in its analysis, has shown that, overall, commuting journeys are increasing across the State, people are travelling more for their daily commute and spending a longer time in their daily commute. This is not sustainable from our point of view. The transport strategy is trying to address this by putting in place the infrastructure that is required to meet demand for travel, have that travel undertaken using sustainable modes and have journey times reduced. This is about investment in bus services, bus priority infrastructure and rail infrastructure.

Deputy Shane Cassells: Ms Graham described the position as "not sustainable" and spoke of "putting in place the infrastructure that is required". Looking towards the development plans at a national and regional level - the draft development plan for Meath that has just been published - population growth in the greater Dublin area will continue, as will the intensification of the density of development, which is a key issue. Given all of this, does the NTA believe we

have the public transport structures in place to deal with the efficient and optimal movement of workers, students and commuters into Dublin city centre from County Meath and other parts of the greater Dublin area?

Ms Anne Graham: We do not have them in place at the moment but that is why the transport strategy is there and we have put in place the implementation plan. The investment from the national development plan will address this by putting in place the infrastructure that is sufficient to meet the demand for travel by sustainable modes over the next ten and 20 years. It is not there at the moment. The NTA has also indicated that a lot of our rail infrastructure in particular is congested. We need to develop, implement and put in place a new rail fleet to provide more services and more capacity on our rail infrastructure, and move towards electrification in line with the DART expansion programme to improve journey speeds. Similarly, in terms of the congestion in our cities, we must put in place the bus infrastructure that will reduce journey times for our travelling commuters.

Deputy Shane Cassells: Having been involved in public life for 20 years, one of my frustrations has been that the strategies for public transport, which I use extensively, have not kept pace with the rate of development. My fear, therefore, is for the future. The proposed Navan-Dublin rail line has been mothballed. I joked with the Chairman earlier that he will qualify for the free travel pass soon enough.

Chairman: Not for another ten years.

Deputy Shane Cassells: I am afraid that I will have qualified for the free travel pass by the time the Navan rail line is developed. I have relentlessly pursued the Minister for Transport, Tourism and Sport since my election to the Dáil three years ago on the requirement for the Navan train line. In autumn 2016, which is exactly three years ago, during a Topical Issue debate on the Navan rail line, the Minister told me he would visit Navan following my invitation to see how we do things. Three years later, I and, more importantly, the people of Meath are still waiting for that glorious visit to occur.

The NTA has responsibility for public transport. Will it visit Navan to meet our transportation team and discuss the possibility of a review of the project earlier than 2021? The basis for such a meeting would be the figures for the draft development plan that is about to be published. Senior planners in County Meath believe the methodology used in the previous review of the rail line was incorrect. I consistently and regularly raise this issue with the Minister and each time I get the following standard answer:

The NTA concluded that based on current population and employment forecasts, the level of travel demand between Navan, Dunshaughlin and various stations to the city centre is insufficient to justify the development of a high-capacity rail link at this time. Instead it is proposed that an enhanced bus service will be provided along the corridor in conjunction with the development of a bus hub in Navan.

Is the NTA satisfied that the enhanced bus service is working efficiently and properly?

Ms Anne Graham: We increased significantly with Bus Éireann the level of bus services, including an express service from Navan, the NX. We review all services with the operator to see if any improvements can be made and if any can be made, based on suggestions from commuters, we will consider those. We will attend any meeting with the officials and we meet regularly with officials from Meath County Council. We have indicated in our transport strat-

egy that we would review the Navan rail line. We are required to review our strategy every six years and that review will commence next year.

Deputy Shane Cassells: The enhanced bus service is consistently used as the premise for the rejection of the Navan rail line. The NX service is so bad that there is a Facebook page with a daily feed on commuters' experiences, NX Collective Complaints. It is worth reading. This morning, one commuter said this express service took one hour and 48 minutes to go from the centre of Navan to O'Connell Street. The number of people left behind every day through the highly urbanised Johnstown area of Navan is unbelievable. It is not operating effectively at peak hours. Has Bus Éireann made any official request to the NTA in respect of the NX service?

Ms Anne Graham: I cannot comment. I would have to check with our contracts team. I am not aware of any request for additional services. The journey time is affected primarily by road traffic congestion. That is where we need to put in proper bus priority. That is what Bus-Connects is for, to improve journey times for bus. We are aware that road traffic congestion is having an impact on our services in urban regions.

Deputy Shane Cassells: The study of Meath noted that there were limited road capacity enhancements available within that corridor. Furthermore, the ability to create corridors from that area into the city centre is very limited. We have been examining it for two decades, when I was a member of the transportation strategic policy committee, SPC, on Meath County Council. I will contact the council's chief executive about having a meeting with the NTA. The premise for such a meeting would be to examine how, given the huge number of people returning to work and commuting into the city centre and the population explosion in towns such as Dunshaughlin and Navan, the figures in the previous report need to be reviewed sooner than 2021, especially as the draft development plan is about to be published.

The regional, spatial and economic strategy for 2019-31 is a very important document, particularly for public transport. Last August, the Minister for Housing, Planning and Local Government, Deputy Murphy, issued a draft ministerial direction to the Eastern and Midland Regional Assembly that it delete the line, "Implement the extension of the Dunboyne/M3 Parkway line to Navan line during the Mid Term Review of the GDA transport strategy" and insert the words "A reappraisal of the extension of the Dunboyne/M3 Parkway line to Navan". The Minister did this following advice from the NTA in correspondence dated 24 July, advising that the inclusion of the line should be rejected and not included in the strategy. This was big news in Meath and at the time there was great anger in local media in the *Meath Chronicle* and LMFm, local radio. I seek appreciation of that today because when a public transport solution for a large urban area such as Navan is rejected while every other comparable town in the GDA and smaller ones have rail connectivity to the city centre, it causes great anger. Not only is the project being mothballed and rejected but we are down to using the term "reappraisal" in connection with the extension of the line to Navan. I would like the NTA's comment on that and advice on the assessment. Does Mr. Creegan agree that the figures have changed dramatically since then?

Mr. Hugh Creegan: The regional spatial strategy is required to be consistent with the transport strategy in the same way as the next version of the transport strategy will be required to be consistent with the regional, spatial and economic strategy. In our comments to the Minister on this we were not saying that the Navan rail line should not be built but that the transport strategy requires an appraisal and a decision and, therefore, to be consistent the regional spatial strategy should mirror that. The request was to enable the two to be consistent to mirror the language which was to require reappraisal and then make a decision. The regional spatial strategy was

jumping ahead without the reappraisal.

Deputy Shane Cassells: I appreciate that but that is why the documents that form the basis for the opinions that are formed are out of date, especially considering that a new draft plan for County Meath will be published which will set out those statistics. If Mr. Creegan were to come to Meath and take the journey with me, he would see the congestion which starts inside the Meath boundary before getting inside the Dublin boundary. The M3, which was the largest road construction project of the past decade, is effectively redundant as a transport solution because it is so congested. I have raised this with the Taoiseach because he lives in Blanchardstown in the neighbouring constituency. The M3 does not have the capacity to take the traffic.

One of the issues rightly raised at the time of the report was that the M3 parkway was underutilised but that was at a time of huge recession. That capacity is being utilised for that. We need a commitment to make the rail project to Navan happen. I have met Jim Meade, the chief executive officer, CEO, of Irish Rail. He is not just the CEO; he is passionate about rail transport. He said of this project that he was in the business of building rail lines. I share his passion and I want to know if the NTA would work with us to see this project for Navan rail come to fruition rather than just have a reappraisal. That is why I am seeking a meeting. The basis for the meeting would be that the reappraisal would happen sooner than 2021 on the basis that I do not want to see out of date documents condemning commuters to a life of misery, as has been indicated by the results of the analysis produced this week.

Mr. Hugh Creegan: We are committed to reviewing the transport strategy starting in the second half of next year so there is no reason that analysis cannot be done early in that review.

Deputy Shane Cassells: We could start the analysis in the summer of 2020 on the justification for the expenditure required for that line.

Mr. Hugh Creegan: The Deputy is putting more exact dates on it than I did.

Deputy Shane Cassells: I do not want to misquote Mr. Creegan.

Mr. Hugh Creegan: We have to commence the review of the GDA transport strategy in the second half of next year. We have to make arrangements to get it set up first. Some time in the second half of next year it will kick off and we are comfortable that we can make this part of the review an early part of that project.

Deputy Shane Cassells: As a representative for that area, I implore the NTA to include the reappraisal of that project as a priority in that review because we will then have a battle on our hands to get funding. At the moment, the project is being effectively blocked by the statement to the effect that there is not sufficient demand for it. That is a view that the chief executive and senior planners on Meath County Council would contest hotly and I would contest even more hotly. That is a blockage. The Minister uses it as a blockage when I question him about seeking the acquisition of the funds required to build the Navan railway line. I am seeking prioritisation for a review of that line in order that we can make progress on it.

Chairman: I thank the Deputy.

Deputy Imelda Munster: In her opening statement Ms Graham said the introduction of competition in the PSO bus market would enable the authority to evaluate in more depth the value for money achieved with directly awarded contracts. Will she expand on that statement and explain what it is she is hoping and looking for and her reasons?

Ms Anne Graham: We have a number of directly awarded contracts with Dublin Bus and Bus Éireann. We have introduced competitive tendering for services previously operated by both Dublin Bus and Bus Éireann. It allows us to see how another operator operates and make a comparison. It can be down to the rates they charge, but it can also be about the way they organise their services, how they roster drivers and schedule their rosters. These are things we can now compare because we have another operator in the market.

Deputy Imelda Munster: On Go Ahead Ireland, for example-----

Chairman: Please excuse me for interrupting, but many people will not know what the Deputy means by Go-Ahead Ireland. Will somebody, please, explain what it is?

Ms Anne Graham: We went to tender for a number of services, roughly 10% of the bus market in Dublin, that were previously operated by Dublin Bus. The tender was won by the Go-Ahead Ireland bus company which is now operating services within the Dublin region.

Deputy Imelda Munster: On the initial contract, is the company subject to a PSO?

Ms Anne Graham: On the PSO contract, it pays for the cost of operating the services.

Deputy Imelda Munster: This applies to Go-Ahead Ireland. Does the PSO contract include everything or is the cost of providing infrastructure, buses etc., on top of it?

Ms Anne Graham: It is additional. We refund the cost of providing bus infrastructure separately.

Deputy Imelda Munster: We provide everything, more or less, in terms of infrastructure and the subsidy.

Ms Anne Graham: We provide the buses, the ticketing system and the Automatic Vehicle Location, AVL, system, which is managed centrally by us.

Deputy Imelda Munster: The PSO contract covers all of those costs.

Ms Anne Graham: It funds the delivery of services by Go-Ahead Ireland.

Deputy Imelda Munster: It covers the day-to-day running costs.

Ms Anne Graham: Yes, the day-to-day delivery of services.

Deputy Imelda Munster: Do we have any idea of how much has been spent thus far?

Ms Anne Graham: Across all of the-----

Deputy Imelda Munster: No, on Go-Ahead Ireland which I am using as an example.

Ms Anne Graham: We will not give the committee the tendered price. The overall contract price is €171 million over five years. We group all of the tendered services together. The figure across-----

Mr. Philip L'Estrange: In 2018 it was €14 million which included the cost of the rural element.

Ms Anne Graham: It also includes the cost of rural transport.

Deputy Imelda Munster: The contract over the five-year period is worth €171 million. When the contract was originally being put out to tender, what projections and predictions did the NTA put forward as selling points for the services in order to get a contractor to engage over the five-year period in terms of profit projections and such matters?

Ms Anne Graham: We would at least like the cost of operation to be either the same or less. We would not want to see it being higher than the cost of the service operated by Dublin Bus. We, therefore, expected to see a reduction in costs and that is what we envisaged. Because we did not have any experience of what it might be in the lead-up to engaging in competitive tendering, we looked at other countries to see what the savings might be when one introduced competition into a market in which there was a monopoly. At that stage the range was between 5% and 30% in the savings indicated in the research we carried out.

Deputy Imelda Munster: What would the operating costs have been if the services had stayed with Dublin Bus over the five-year period?

Ms Anne Graham: I do not have that figure to hand, but we can certainly work it out for the Deputy.

Deputy Imelda Munster: Is Ms Graham aware offhand whether it is in or around the figure of €171 million, or would it be much greater or less?

Ms Anne Graham: We would expect it to be higher.

Deputy Imelda Munster: Would Ms Graham expect it to be much higher?

Ms Anne Graham: We would expect it to be higher by a reasonable percentage.

Deputy Imelda Munster: Go-Ahead Ireland has more or less completed its first year of operations. Am I right in saying it did so in September of last year?

Ms Anne Graham: That was just on one route. There was a period of six months during which all of the routes were introduced. There was a phased introduction of services.

Deputy Imelda Munster: Does the NTA have any idea - I understand it was the first route that was phased in fully - of how it is working out for the company financially thus far?

Ms Anne Graham: Financially, the company is providing services in accordance with the contract. There are no financial issues. All we monitor is performance in accordance with the key performance indicators the company is required to meet under its contract. While there were some issues in the early months, they have been rectified. Some of the issues related to delivery were ones we had caused for the company. They were related to the Automatic Vehicle Location system. Overall, in terms of its performance, the company is doing very well.

Deputy Imelda Munster: Given the amount of public funding available, €171 million over five years, I am aware that Ms Graham cannot go into the exact contract details, but does Go-Ahead Ireland keep all of its profits or reinvest?

Ms Anne Graham: That is a matter for the company. It is a private company. We undertook an open public tender process and that is the contracted rate. Where there is a profit, how it is distributed is a matter for the company. All we are required to investigate in any detail is the cost to the State of directly awarded contracts when one is assessing if one is getting value for money from the money going to operators in instances where there has not been competition.

Our obligation is to ensure we get value for money from Bus Éireann, Dublin Bus and Iarnród Éireann where they are awarded contracts without having a competition.

Deputy Imelda Munster: Clearly, in the next five years, if it turns out that it has made a profit, it will be for itself, including if it is not reinvesting in infrastructure or anything else, although it is in receipt of PSO funding which is State funding. If the company, for example, was to win a second five-year contract after the first five-year period and was well into profit, would we continue to pump PSO and public money into such a company when it was in profit, keeping all of the profits to itself and not reinvesting?

Ms Anne Graham: It is like any other service that one procures in an open market. It is like the Luas services which are procured openly and for which Transdev Ireland has been successful in being awarded the contracts. What the companies make in profit is a matter for them because they are private companies. What we do is test the market. When one engages in a public procurement process one is seeking the market price in terms of service delivery. At the end of the five-year contract period we are obliged to go to the market again. Whatever the tender price is at that stage, I imagine Go-Ahead Ireland will be interested in tendering, as will other operators, to operate the services.

Deputy Imelda Munster: I have no doubt about that. I was curious when Ms Graham made reference to value for money - it prompted my question - which seemed ludicrous to me. We spoke earlier about projections and costs. Can Ms Graham provide a comparison figure for what it would have cost if we had continued with Dublin Bus over that five-year period versus the cost of contracting the service to Go-Ahead Ireland? That would show us whether it would have been more costly to have the service run by Dublin Bus. My view is that it is better to keep these services public rather than privatising them.

MetroLink will be a massive infrastructural project. I assume the NTA has some sort of plan as to who will run that service. Will the infrastructure be State owned and the service run by a State company, such as Iarnród Éireann or will it, similar to Luas, be given over to a private company to run?

Ms Anne Graham: The infrastructure will be State owned and it is likely that the service operator will be contracted following a tender process.

Deputy Imelda Munster: Is there no plan to have a State company run the service, even though the infrastructure will be owned by the State?

Ms Anne Graham: There are currently no such plans.

Deputy Imelda Munster: We are all aware of the deficit in railway infrastructure and services. Given that the NTA is responsible for public infrastructure, does it have clout when it comes to drawing up the national development plan, NDP? For example, does it have a say in what goes into the plan as part of its function in devising a long-term strategy for public transport throughout the State or is does the Government ultimately make such decisions?

Ms Anne Graham: The Government ultimately decides what is included in the NDP. Our responsibility is to ensure that we have a transport strategy for the greater Dublin area, which sets out what is required in terms of infrastructure. As to which infrastructure projects will be brought forward for investment, that is a decision of the Government.

Deputy Imelda Munster: How can the NTA realistically plan for long-term transport

needs if it does not have a say in which projects are progressed and is essentially at the mercy of whatever the Government decides? We have been talking about climate change, reducing emissions, public transport accessibility and how important those issues are for the future. How can the NTA plan a long-term strategy if it is at the mercy of Government decisions as to which projects are developed?

Ms Anne Graham: It is a matter for the Government to decide which projects it will invest in, as set out in the NDP. We are obliged to have strategies in place and provide initial costings to assist the Government in making its decisions. We then carry out whatever the Government decision is in regard to the NDP.

Deputy Imelda Munster: Ms Graham indicated that the NTA has ordered 52 low-floor coaches. I have spoken to NTA officials previously about the lack of wheelchair accessible buses, which leads to be people being left at the side of the road as the bus pulls away. Sometimes they are told that the driver is not trained to operate the wheelchair lift. Have the 52 new coaches been ordered or does the NTA have them?

Ms Anne Graham: We have ordered 52. A number of them have been delivered to us, two of which are in operation.

Mr. Hugh Creegan: The rest will be delivered before year end.

Deputy Imelda Munster: What capacity will that provide throughout the State? Specifically, how many such vehicles are needed and what is the shortfall?

Mr. Hugh Creegan: We are swapping out older vehicles for the new ones. The fleet size overall may increase slightly, but we are getting rid of some of the older, single-deck coaches with a high floor. There is an ongoing programme to continue to replenish the fleet with those types of vehicles or similar ones in the years ahead. As I said earlier, it will be a number of years before a full replacement is completed.

Deputy Imelda Munster: Dublin is okay in so far as the majority of public transport is wheelchair accessible. Outside of Dublin, however, it is a different story. In some rural areas, there is no bus service from one end of the week to the next. Is there a particular focus on putting the new coaches into rural areas where there is an ageing population and accessibility issues? It is worrying that, in 2019, we are still being told that full accessibility across the country is a long way off.

Ms Anne Graham: We have to start somewhere. It should be noted that the coach industry does not have a significant availability of the type of fleet we are trying to purchase. The regional low-floor bus is unusual and bespoke to Ireland and is not available to the same extent in other countries. In fact, the service we are providing in rural areas is innovative. At the same time, we accept that there will be a number of high-floor coaches in operation for a period, and we want to ensure the bus stop infrastructure is brought up to a level that can manage the wheelchair lifts. We are moving to having a 100% wheelchair accessible service in rural areas over a period, making sure that any new services tendered have a requirement to be wheelchair accessible. We have a high level of accessibility on those services, but we want to get to 100%.

In terms of commercial services, we are undertaking a consultation because we can put in conditions on licensed services regarding the level of accessibility. It is an ongoing public consultation, which may result in a requirement for commercial services to have low-floor access, particularly for urban services.

Deputy Imelda Munster: Ms Graham referred to bus stop infrastructure. As I said, this is a major problem when it comes to wheelchair lifts. Are bus stop infrastructure works funded by the NTA or by the local authorities?

Ms Anne Graham: We fund the local authorities to put in place the required infrastructure.

Deputy Imelda Munster: Has the NTA surveyed all the local authorities in this regard? How does the authority ensure that all the infrastructure is being put in place?

Ms Anne Graham: We will not be in a position to do every bus stop in every rural town. Instead, we prioritised the main towns having at least one bus stop in each direction that is accessible by wheelchair lift. We identified those locations and are working closely with the local authorities to deliver them as a first priority.

Deputy Imelda Munster: Might Ms Graham furnish us with the list of all the locations that have been done so far and the locations remaining to be done?

Chairman: It would be helpful if she could also include a timescale for delivery.

Ms Anne Graham: I will do so.

Deputy Pat Deering: I have several specific queries for the witnesses. The first relates to the provision of urban bus services in rural towns, including my home town of Carlow. Almost three years ago, there was much fanfare when the announcement of a bus service in the town was made. It was going to be up and running in a reasonably short period. After almost three years, what is the position?

Mr. Tim Gaston: I will take that question. We have been working with the local authority in Carlow and we have developed what we believe the bus services would be. The contracts team in my section have started to put together the work for that. We are waiting to see what the situation is with the budget, but our expectation is that we could be going to the market for a provider for the Carlow town services during 2020.

Deputy Pat Deering: Is 2020 a realistic timeframe?

Mr. Tim Gaston: Yes, it is for going to the market for a provider in 2020. Then it depends on who which company it is and how quickly it can mobilise. The other issue we have to resolve is where to source vehicles. We had a supply of vehicles that would have been perfect for Carlow but, unfortunately, there is an issue with that provider at present. We are hoping that will be resolved and we will be able to call on that framework.

Deputy Pat Deering: As a matter of interest, is it hard to get vehicles?

Mr. Tim Gaston: It is not hard to get vehicles, but when there is already a framework for a supplier who has a low-floor midi bus that would be perfect for the Carlow service it is simplest to continue to use that framework. They are having financial difficulties but we are hoping to see that resolved in the near future and to be able to call on that framework.

Deputy Pat Deering: The NTA will begin the process in 2020 by going out to the market.

Mr. Tim Gaston: Yes.

Deputy Pat Deering: When can the people who are hoping to be employees - for example, one concern is expanding at present and is on the outskirts of the town - hope to access that

service?

Mr. Tim Gaston: We would hope to have the service up and running during 2021, perhaps towards the latter half of that year. With a well-run procurement and operators coming forward to operate the service combined with being able to provide the vehicles, then we should be getting it running in the second half of 2021.

Deputy Pat Deering: Are there similar services in towns of a similar size, and would it have taken a similar length of time to get from where we were three years ago to what the position will be in 2021?

Mr. Tim Gaston: There are two different models. The service in some of the towns has been delivered through the direct award contract we have with Bus Éireann. For example, the service in Sligo town and Athlone is provided by Bus Éireann. We worked with its team to develop what vehicles and routes were needed. It would have taken approximately two years from starting that planning process through to delivery with Bus Éireann. We have more recently tendered and awarded the contract for services in Kilkenny, and that is the model we will be using for Carlow. We go to the market, run a public procurement as we are obliged to do, assess that, award a contract, source the vehicles, get an operator in and get going.

Deputy Pat Deering: Is Carlow town a priority?

Mr. Tim Gaston: Yes, Carlow town is our next target after the Kilkenny services, which we hope to get running shortly.

Deputy Pat Deering: There has been much consultation and reports and so forth have been compiled. What amount of money would have been spent in order to get to the current position?

Mr. Tim Gaston: I do not have the spend to hand, but it would be very modest. It is mainly my team that does the scheduling and research work that is necessary. We would get Mr. Creegan's team to do some modelling, perhaps, so we could work out demand and the routes, then take that and discuss it with the local authority and local representatives. The spend would be very modest.

Deputy Pat Deering: There was consultation on linking it to the rail service.

Mr. Tim Gaston: Yes.

Deputy Pat Deering: Is that part of the plan for the future?

Mr. Tim Gaston: Yes.

Deputy Pat Deering: Obviously, the train service is central to the town and would be key. Is that part of the plan?

Mr. Tim Gaston: It is part of the plan. There is an access issue and a study was undertaken. I do not know the status of that study but, one way or the other, we would love to tie in with the train station. Obviously, integration with that makes a great deal of sense.

Deputy Pat Deering: There is a proposal to do some work on the train station. There have been disability access issues for a number of years. I understood the work was to begin early this year and to be completed by August. However, that work has not begun.

Mr. Tim Gaston: I am not familiar with that.

Deputy Pat Deering: Is there a reason?

Mr. Hugh Creegan: There is a reason, but I am not sure whether it was a planning issue or something else.

Deputy Pat Deering: The planning would have been granted probably two years ago.

Mr. Hugh Creegan: I am not sure what the delay was, but if it is not done this year we will carry it into next year and it will be done.

Chairman: Can Mr. Creegan send a detailed note on it to the committee?

Mr. Hugh Creegan: Yes.

Deputy Pat Deering: The timescale is important. I have many constituents who access the service and need it to get from A to B. There are a number of services in Carlow town. The Delta Centre, for example, provides services for people with intellectual disabilities and so forth. People have to go to Bagenalstown to get off the train and then come back to Carlow to access the service. That does not make sense. It is a major difficulty for people who need to access services. There was an expectation that the project would be completed this year. It is important that whatever obstacles are in the way would be cleared immediately. Perhaps we could be provided with a timescale in that regard.

On another issue, one of the NTA's functions relates to submissions to regional planning guidelines. Does it have an input in circumstances where, for example, my neighbour may want to build a house and there is an issue with the road infrastructure or the like? Is it true to say that the NTA is one of the main obstacles to rural housing at present?

Ms Anne Graham: I would not say that.

Chairman: That is TII. There is a difference between the two.

Ms Anne Graham: Yes, we do not comment.

Chairman: We asked Ms Graham to explain the difference between the NTA's role and that of TII, which used to be the National Roads Authority. It is mainly TII.

Deputy Pat Deering: Okay.

Chairman: However, Ms Graham can explain.

Ms Anne Graham: We do not have a role in, and would not comment on, individual applications.

Deputy Pat Deering: I do not want Ms Graham to comment on an individual application. I was just giving a general example.

Ms Anne Graham: In general, we do not carry out that level of input into planning applications.

Chairman: TII is consulted.

Ms Anne Graham: With regard to what?

Chairman: Regional planning.

Deputy Pat Deering: On an application anywhere.

Chairman: The other outfit, TII, is involved in that.

Deputy Bobby Aylward: That is the primary one.

Deputy Pat Deering: Does NTA's input into the regional planning guidelines not feed into the same process?

Mr. Hugh Creegan: It is at a more strategic level. It is to ensure that the guidelines have properly considered and accounted for public transport provision as part of the overall plan. It is a much higher level.

Deputy Pat Deering: The NTA has no input at local level.

Ms Anne Graham: No.

Deputy Pat Deering: Okay. That is all my questions.

Deputy Bobby Aylward: I will follow on from where my colleague concluded because Kilkenny and Carlow are very close. I will ask about rural transport services. With the carbon taxes being introduced and the proposal that they will increase over the next ten years, all of us will be looking to public transport. It will be the NTA's job in the next ten years to deal with that as best it can and to provide a service to rural Ireland in particular. It looks after Dublin and the other cities. I am becoming the same as Deputy Deering in that we had a fight to retain services from Waterford to Dublin. They go through Mullinavat and Thomastown. We still have a service there, but will it be improved? We also have a service from Limerick to Callan and Castlecomer. We had to fight for that route. Our guests were at the meetings that took place and we managed to retain some type of service. What about the future? We are seeking to support public transport in rural Ireland. Does the NTA see its role as providing that service, and a better, more efficient and more regular service, now that we are moving to a downturn in our carbon footprint?

Ms Anne Graham: While we are looking at the regional cities in terms of what is required in public transport to meet our sustainable goals, we are also looking at outside the cities in terms of the level of service that is required for people to get to their local shops, then to get from their local towns to their regional towns and then to integrate into the intercity services as well. It is a project where we are looking across the State and we hope to identify the level of service required for each of our small town centres.

Deputy Bobby Aylward: Does the NTA have control of the rural link? Is that part of its remit?

Ms Anne Graham: Local Link is.

Deputy Bobby Aylward: We call it the rural link. Is it part of the NTA's remit?

Ms Anne Graham: Yes.

Deputy Bobby Aylward: The funding for that comes from the NTA.

Ms Anne Graham: Yes.

Deputy Bobby Aylward: That is good. I did not know that.

Ms Anne Graham: All our work has been about integrating Local Link into the services that are operated by Bus Éireann as well as commercial services and rail services. On top of that we are examining whether that service level is the right level to deliver and provide services for rural Ireland. We hope to complete that study this year, on what level of service we need to-----

Deputy Bobby Aylward: Does the NTA envisage the roll-out of better rural provision?

Ms Anne Graham: Absolutely.

Deputy Bobby Aylward: I am not talking about towns but the small villages in all counties. Does Ms Graham see a role in the future there?

Ms Anne Graham: Absolutely. Where we have provided rural transport services there is a demand. We know there is demand. There is an unmet demand for better transport in rural Ireland. Subject to the funding we get, we will be delivering those services.

Deputy Bobby Aylward: Will this lead to private carriers? Will the NTA be tendering out to private companies?

Ms Anne Graham: Primarily, yes.

Deputy Bobby Aylward: That is good. I want to ask about the city services such as the service in Waterford. That is subsidised-----

Ms Anne Graham: It is.

Deputy Bobby Aylward: -----and we are starting such a service in Kilkenny. Will the NTA be subsidising that as well?

Ms Anne Graham: We will.

Deputy Bobby Aylward: Is that all under the NTA's remit?

Ms Anne Graham: Yes.

Deputy Bobby Aylward: That is welcome. I want to ask about the management of the green schools travel programme. What is that about? Does the NTA have anything to do with the Bus Éireann service for school buses? If it does not, we will have a big argument. Bus services for schools are a big thorn for us in rural Ireland. I see mention of the green schools travel programme. Could funding come from that to address some of the problems we have with school bus services around the country?

Ms Anne Graham: No, we have no responsibility for the provision of school transport services and the contract Bus Éireann has in place. The green schools programme has a transport element. It is operated by An Taisce and we fund it. It is about encouraging schoolchildren and their parents either to walk, cycle or use public transport to get to school.

Deputy Bobby Aylward: How is that funded and advertised? What way will it be rolled out?

Ms Anne Graham: It is a programme that is developed by An Taisce that we approve. It is subject to an agreement between the Department, which provides the funding, and ourselves,

and we have an agreement with An Taisce about the types of programmes involved. It encourages programmes such as walking on Wednesdays, WOW, where we try to encourage children to walk to school one day a week. It tries to provide safe access for schoolchildren by walking and cycling.

Deputy Bobby Aylward: Is the NTA in charge of the greenways such as the walk from Waterford to Dungarvan and the one from New Ross to Waterford that is coming on stream? Is the NTA subsidising that?

Ms Anne Graham: No, we are not. We would look at any of the urban greenways because they are included in some of our cycling programmes for the cities, but the other greenways are not funded by us.

Deputy Bobby Aylward: I want to know about the taxi services. There was a big complaint about Dublin having too many taxis. It is not as big a problem out the country. Is there still a problem with taxis? Can anyone get a taxi ad lib today anywhere in Ireland? Is the NTA in control of it?

Mr. Hugh Creegan: Yes, we are the licensing body for taxis.

Deputy Bobby Aylward: For hackneys as well?

Mr. Hugh Creegan: For hackneys as well. If a person has a wheelchair accessible vehicle and complies with a small number of requirements, taxi licences and hackney licences are freely available and the cost of getting a licence is €125.

Deputy Bobby Aylward: Anybody who wants a licence goes through the NTA, therefore. Has Dublin always been oversubscribed with taxis as the taxi drivers say? I hear the complaints about there being too many taxis and I often hear there are more taxis in Dublin than in New York. Does the NTA hear that? Are the taxi drivers right in what they are saying?

Mr. Hugh Creegan: They were right a number of years ago. We used to have up to 27,000 small public service vehicles and it has dropped down to about 21,000 now.

Deputy Bobby Aylward: It is regulating itself, then. Is that so?

Mr. Hugh Creegan: It is self-regulating. There is a bit of a lag and it does not happen as quickly as we might like, but it has balanced out to the point where we would like to see more taxis and hackneys coming in. We need that because the demand is increasing and the numbers are turning upwards.

Deputy Bobby Aylward: Is that problem mostly in Dublin or is there a problem with that in any other part of the country?

Mr. Hugh Creegan: The cities are slightly undersupplied at key times. There are enough taxis but they are not always available at the times they might be wanted. There are challenges in rural areas as well, and we know about that.

Deputy Bobby Aylward: I want to ask about regulation enforcement. I always hear about people coming home and going out for four hours working as a taxi driver when they do not even have a licence. Does the NTA have an enforcement regulation? How does it enforce it?

Mr. Hugh Creegan: We do. We have a compliance team that goes around the country car-

rying out operations to detect unlicensed drivers and vehicles. We take them through the court process-----

Deputy Bobby Aylward: Is that the NTA's role or the Garda's role?

Mr. Hugh Creegan: The Garda has an equivalent role. It can also do this but we have the power to do it, and last year we prosecuted 54 unlicensed drivers and a similar number of unlicensed vehicles. That brought order.

Deputy Bobby Aylward: That is good to hear. I mention income from fees. Enforcement income was €83,000 and other taxi income was €630,000. Will the witnesses give me a breakdown on that?

Mr. Hugh Creegan: Enforcement income would come mainly from fixed penalty notices. We issued something like 1,800 fixed penalty notices last year where people breached the rules. They either did not have signage on the taxis, did not have a link to a database they need to link to, or various other matters. We just record the income that comes from that. I presume the other income arises from-----

Mr. Philip L'Estrange: It is from stickers, licences and renewals of decals and things like that.

Mr. Hugh Creegan: There are a variety of items involved in the licensing that generate that small income.

Deputy Bobby Aylward: I want to ask about clamping. Is the NTA in charge of the clamping activity around the country, particularly in Dublin, which we all experience?

Mr. Hugh Creegan: We are not in charge of the clamping but we are in charge of the regulation of clamping.

Deputy Bobby Aylward: Is it not mostly private companies that are doing it anyway?

Mr. Hugh Creegan: It is, with the exception of Dublin City Council, which has a contract with a private company to provide on-street clamping services.

Deputy Bobby Aylward: Are local authorities in charge of that in Kilkenny and Waterford, for example?

Mr. Hugh Creegan: They may be, but in most cases a premises owner will have contracted out the right to clamp at their premises to one of the clamping operators. Our role is largely to ensure they comply with certain regulations, and we act as an appeals body if people wish to appeal a clamping fee.

Deputy Bobby Aylward: I see the NTA is in charge of electronic tolling service providers. I remember talking about this before and the lack of tolling on the Waterford and Limerick bypasses. They were not self-sufficient. In other words, the money coming in from the public private partnership was not sufficient. Is that still the case? Is the taxpayer still subsidising it, especially in Waterford and Limerick? Those were two examples that were not getting enough funding under the arrangements they had with the public private partnership.

Ms Anne Graham: That comes under Transport Infrastructure Ireland.

Deputy Bobby Aylward: The briefing document says the NTA operates "as the national

conciliation body for electronic toll service providers”.

Mr. Tim Gaston: That was a one-off specific role the Department asked us to take on if it came to the point where there was a dispute between toll operators or between toll operators in Ireland and international concerns, but it is not the day-to-day regulation of them.

Deputy Bobby Aylward: Therefore, the NTA is not in control of the toll service providers.

Mr. Tim Gaston: No.

Deputy Bobby Aylward: I see details of the NTA’s lease commitment in respect of a premises at 35 Fitzwilliam Square, which it subleased it to the Commission for Taxi Regulation, CTR, and is losing money on it. I have not read through it fully, but when the NTA subleased it, it lost money to the tune of something like €80,000 per annum. It does not make much economic sense that the NTA has a premises that it is paying for up to 2024 and then it starts leasing it back to another semi-State body and ends up with a loss of €80,000 per year. Will the witnesses explain how that makes good economic or business sense?

Mr. Philip L’Estrange: I can summarise that again, if the Chairman wishes.

Chairman: I know the NTA went through it earlier.

Deputy Bobby Aylward: I am sorry.

Chairman: A quick explanation would be helpful.

Mr. Philip L’Estrange: The context was that on 1 January 2011, the National Transport Authority subsumed the previous Commission for Taxi Regulation. It was the Commission for Taxi Regulation that had originally taken out this lease. At the time it took out the lease, the going rent was on a €170,000 per annum upward-only rent review. Subsequently, when the NTA subsumed the CTR, that became our lease. We then did some review and calculation on the best way forward. We wanted to amalgamate all the CTR employees with the NTA in one building. That exercise-----

Deputy Bobby Aylward: Are the CTR and the NTA not the one body? Are they two different bodies?

Mr. Philip L’Estrange: Previous to 2011 they were two separate bodies. We immediately set about consolidating the two bodies. The real savings were made in us no longer needing two IT systems or overheads in two buildings such as security costs, insurance and so on. The savings realised from consolidating the two bodies was €440,000 per year. That greatly outweighed the difference with the €80,000, which was the subsequent market rent we got, and we were able to give that to the National Council for Curriculum and Assessment. Overall, we did not have much choice. We inherited the lease, but the best economic way forward was to amalgamate the two buildings and then sublet it at the best market rent we could get at the time around 2013. The lease expires in 2024 along with the other leases in the authority. We expect that the whole situation will be completely resolved in three to four years.

Deputy Bobby Aylward: They are all upward lease arrangements. There are no downward arrangements at all. If we come to a recession or downturn, with Brexit or such, is there any such thing as moneys dropping in negotiations? It sounds strange to me that with all the contracts the NTA has, there are only upward rent increases, with none going down. Should it not go up or down according to economics?

Mr. Philip L'Estrange: I absolutely agree. The 2006 contract was prior to the establishment of the National Transport Authority and those were the market norms. The NTA has taken out one or two small leases to expand its accommodation to take on extra staff. We have not entered into upward or downward leases.

Deputy Bobby Aylward: Mr. L'Estrange is telling me that the norm is to make a contract for 2024, for example, with only upward rent increases and neither keeping it level nor decreasing it. The only way it can be negotiated is upwards. Is that a fair contract for the taxpayer?

Mr. Philip L'Estrange: The Deputy must remember that it was in 2006.

Deputy Bobby Aylward: Even then. This is still happening now.

Mr. Philip L'Estrange: As a lessor, it is obviously attractive. As a lessee, one would obviously not want to have it. It comes down to negotiations of the lease contract. The lease term, headline rent and whether there are rent reviews all come into play. It very much depends on the specific situation and timing.

Deputy Bobby Aylward: A farmer could not do it with the price of cattle. It seems that it only happens here in Dublin. It is a pity we could not do that with a range of things.

Chairman: We have been here for almost three hours. We will take a break for a maximum of ten minutes. A couple of Deputies want to speak a second time, including myself. The witnesses have seen at least two or three Members confused about the role of the National Transport Authority and Transport Infrastructure Ireland. If Members of the national Parliament are confused, the entire population does not get it. Having "transport" in both organisations' names leaves people utterly confused. My opening question was to ask what each organisation does. The public does not get it. There is total misunderstanding of the organisations' separate roles. They have to do something to separate that in the public mind because they have not even separated it in the minds of many Oireachtas Members. I am looking at the strategies such as Rural Link. Is "Transport for Ireland" not the logo for all the buses? I see the National Transport Authority somewhere, then the buses with a Transport for Ireland logo, then I hear about Transport Infrastructure Ireland. I think the witnesses get my point. Somebody has caused confusion in the public mind by having three different names connected to public transport and nobody knows which is which. I will leave that thought with the witnesses but am not asking them to address that today. It would be good if something could be done to separate matters in the public mind. The names, being so similar, are part of the problem.

Sitting suspended at 1.23 p.m. and resumed at 1.36 p.m.

Chairman: We will resume our discussion with the National Transport Authority about its 2018 financial statements. All those members who have indicated have spoken once. We are now into the second round of speakers and Deputy Catherine Murphy has indicated.

Deputy Catherine Murphy: I presume the witnesses have read the Data Protection Commissioner's report about the public services card. Did they get any legal advice about their organisation's role, where it may not have names and addresses or unique identifiers for individuals? Is the authority collecting personal data about people that can then be assigned to them? Has the authority had legal advice on that?

Ms Anne Graham: We sought legal advice in the lead-up to the GDPR coming into force. That applies across all services that we offer. It is not specifically related to the Leap card and

free travel pass but it relates to our preparation for the GDPR.

Deputy Catherine Murphy: The report was based on older legislation that predates GDPR. Has Ms Graham read that report?

Ms Anne Graham: I have not read it in detail but I know the summary of what is in the report.

Deputy Catherine Murphy: So the NTA has not specifically got legal advice?

Ms Anne Graham: No.

Deputy Catherine Murphy: We received a good breakdown about staffing from the NTA and will get a note on the matter. When the NTA tenders out, it presumably tenders out for more than one person or perhaps it can vary. What disciplines is it looking at? Is it engineering and planning or administration or a combination of all of those? Is there a staff retention issue? If somebody is coming towards the end of a contract, people want certainty in their lives and such. Does that cause a problem with institutional memory and training in the organisation that then has to be repeated? Are those issues captured in the NTA's report?

Ms Anne Graham: Issues with retention of services face any public body. It is especially a matter of trying to ensure that all of the people who are working for the organisation are engaged. One would want to be able to train the whole organisation but much of our staff training has to go to our employees, rather than those on outsourced placements. There is not a major staff retention issue but there could be in the future. We have been looking for a combination of specialities in finance and IT. We have a significant cost associated with ensuring our systems are secure and operating. There is a large team required to be able to support that. It is primarily outsourced.

Deputy Catherine Murphy: Are those recurring posts?

Ms Anne Graham: They are recurring posts.

Deputy Catherine Murphy: I received replies on fines from the authority. Some are quite sizeable, such as €652,000 for Irish Rail over three years. Does this relate to delayed trains? What does it specifically relate to?

Ms Anne Graham: That relates to the non-operation of services. It was at a time in 2016 when Irish Rail was not providing any services because of industrial action.

Deputy Catherine Murphy: It says in the reply it was in the past three years. Would it have been an event in the past three years?

Ms Anne Graham: Yes, it would have been an event in the past three years.

Deputy Catherine Murphy: Dublin Bus and Go-Ahead were fined for punctuality and failure to operate scheduled services. For what are the fines used? Is it part of the authority's income? Is it a projected part of the income?

Ms Anne Graham: It is not a projected part of our income. It goes back into the PSO, public service obligation, budget. It is either used for additional services or offsets something else we might do in the delivery of public transport.

Deputy Catherine Murphy: In 2017, there were 251 million passenger journeys provided

by Dublin Bus, Bus Éireann, Irish Rail and Luas. Obviously, these figures predated Go-Ahead. Does that figure sound right? Thankfully, a growing number of people are using public transport, although services are stretched.

Mr. Tim Gaston: The figure for 2017 is 251 million passenger journeys.

Deputy Catherine Murphy: The DART underground, a sizeable investment, is name-checked rather than planned for in the national development plan. If that were put in place, Irish Rail expects it would deliver 100 million passenger journeys annually. That would be a significant return on any investment relative to the number of journeys already taken. Why is the DART underground such a low priority? Does the authority have any input into the prioritisation of projects? I accept it would not be paid for in 12 months but it is certainly the kind of investment from which one would still be getting a return 100 years from now. Given that it has such a return and creates a greater viability for the other investment in rail, I do not understand why it is such a low priority.

Ms Anne Graham: It is not a low priority. It is a high priority. It is covered in the ten-year investment plan in terms of the Government's national development plan. The first phase of that is delivering the fleet. That is when one will get the quickest uplift in the number of passenger journeys. We are designing the fleet with Iarnród Éireann to ensure it can operate on existing rail infrastructure. One gets an immediate increase in capacity that can meet that demand.

Deputy Catherine Murphy: The €2.25 billion investment in the DART and the electrification of rail services will cover services such as the Maynooth and Hazelhatch lines. That is welcome. It is even more welcome given that it is in my constituency. The tunnelling for the DART underground will cost somewhere between €3 billion and €4 billion. That cannot be included in that amount. Where is that timetabled in?

Ms Anne Graham: That is timetabled for after the ten years of the national development plan. One will get a significant benefit from delivering the fleet, as well as electrification. The tunnel will give some benefit. Now that we have-----

Chairman: For the benefit of the viewers, where is this tunnel?

Ms Anne Graham: The tunnel was part of the DART expansion project. It was originally designed as a new tunnel to go from Inchicore to the Docklands Station. In looking at how one would invest in heavy rail infrastructure, we felt it was more important to get capacity in first through the provision of additional rail fleet, then to allow for the electrification and follow-up with the tunnel, if it was still deemed to be required later on in the project.

Chairman: Is it going down to the docklands.

Ms Anne Graham: It effectively would be from Heuston Station to the Docklands Station.

Deputy Catherine Murphy: It creates a network. It was part of the Dublin Transportation Initiative in the early 1990s. It went through a railway order and had a ten-year planning permission. Then the ten-year planning permission lapsed and there was a decision not to proceed. This was during the time of the crash and decisions had to be made. It is not a new project.

Ms Anne Graham: It is still part of our transport strategy. It is all about what the phases of delivery should be. In our view, one gets best value for customers and additional capacity by providing the rail fleet first, then electrification alongside that to improve journey speeds and

then the tunnel towards the end.

Deputy Catherine Murphy: Irish Rail brought the project through that process. When it went to the level of railway order, a significant amount of money was invested to get it to that point, as well as scoping and checking out the terrain. The longer it is put on hold, is any of that reusable? Does it have to be repeated?

Ms Anne Graham: Some of it may be reusable. We are already looking at whether it is feasible to come out at Inchicore or Heuston.

Mr. Hugh Creegan: Some of the work would be reusable but circumstances have changed. MetroLink, for instance, had a different location while metro north was in a different place. The connection would have been different under previous plans. While some may still be useful, much of it would require to be redone.

There now is a connection between Connolly Station to the Kildare rail lines through the Phoenix Park railway tunnel.

Deputy Catherine Murphy: It has been there a long time.

Mr. Hugh Creegan: It has only been open in the past three years. We see that running DART services for a number of years and the tunnel coming along afterwards. Most of the benefits from DART expansion come from the services. The tunnel itself, as a stand-alone project, had quite a poor benefit-to-cost ratio. It did not stack up as a stand-alone project. The benefits are from the other elements, such as the electrification of the Kildare and Maynooth lines and the services on them.

Deputy Catherine Murphy: I am not disputing that they bring benefits. It is a question of time. It is the one piece that gives one greater capacity in terms of movement and the development of a network.

Go-Ahead won its contract through a tender process. It was said that it will be less expensive than the comparator. It will have to retendered in five or six years' time. It does not count historical costs like, for example, pension costs that would be carried by the other operator. That has a long-term consequence in terms of the public purse picking up the pension costs in cases where there is not an occupational pension. It is not like with like.

Does Ms Graham agree that it is not a like-for-like comparison?

Ms Anne Graham: It is not 100% like-for-like. There is a requirement in the contract that the operator must provide a certain level of pension. That is stipulated in the contract. When the service is retendered, the drivers currently operating the services will have a right to continue on if there is a change in operator. Pension benefits do not transfer, but all other benefits transfer to any other operator. All those costs will have been considered by the tenderer when it bid for the services, but certainly Go-Ahead is not required to carry out certain elements of the work done by Dublin Bus. We always take that into account in any like-for-like assessment.

Deputy Catherine Murphy: The NTA owns the buses. Who maintains them? With regard to public liability, I know from discussions I have had at another committee that, when a whole new group of drivers is taken on, public liability insurance costs increase. A high level of training is required to keep those costs to a minimum. Who covers those costs?

Ms Anne Graham: Insurance costs are covered by the operator. Buses are maintained by

the operator. We pay for that maintenance through the contract.

Deputy Catherine Murphy: Is Ms Graham satisfied with the level of maintenance?

Ms Anne Graham: We assess how well our assets are maintained.

Chairman: I have a few questions of my own. Some of these might sound basic, and Ms Graham may take these points for granted, but will Ms Graham run through the system whereby the NTA pays operators for journeys using the free travel card? I will probably ask her to send the committee a note on this. I know the NTA probably provides a block grant to Iarnród Éireann and a number-----

Ms Anne Graham: We actually do not. The Department of Employment Affairs and Social Protection provides grant aid to the CIÉ operators. It makes the payments. The free travel scheme is under the remit of that Department, we just accept its free travel passes on our services.

Chairman: Payment is made through the social protection budget.

Ms Anne Graham: Yes.

Chairman: On the NTA's contracted services, which include Go-Ahead, Ms Graham mentioned JJ Kavanagh, Bernard Kavanagh, M&A Coaches, Wharton's, and light rail.

Ms Anne Graham: We seek a payment from the Department of Employment Affairs and Social Protection for the provision of free travel on the services that are tendered out.

Chairman: These are the services I just mentioned. Are there other such services or are those the main ones?

Ms Anne Graham: The Department also gives us a contribution of approximately €1.5 million towards the operation of rural transport services. It is a fixed amount.

Chairman: The NTA carries the rest.

Ms Anne Graham: Yes.

Chairman: What is the mechanism? We can ask the Department of Employment Affairs and Social Protection about its costs in respect of free travel when it is next before the committee. How does the system whereby operators such as Go-Ahead, M&A Coaches, Kavanagh's, or the light rail services are paid to carry people with free travel passes work?

Ms Anne Graham: I will ask Mr. Gaston to cover that.

Mr. Tim Gaston: For the subsidised services of CIÉ companies-----

Chairman: I am only talking about free travel pass-holders.

Mr. Tim Gaston: -----including Dublin Bus, Irish Rail and Bus Éireann services excluding Expressway services, which are commercial-----

Chairman: Will Mr. Gaston say that again?

Mr. Tim Gaston: For subsidised services, which include Bus Éireann's subsidised services, all of Dublin Bus, and all of Irish Rail, the CIÉ group receives a block grant from the Depart-

ment of Employment Affairs and Social Protection.

Chairman: It does not come from the NTA.

Mr. Tim Gaston: No.

Chairman: That is fine. We will ask the Department that question. What is the situation in respect of contracted services?

Mr. Tim Gaston: With regard to tendered services, we are currently in discussions with the Department to provide funding. It has given us some funding towards free travel in the past. Because we take the revenue risk on those services, as the operator simply gathers the fare-paying revenue on our behalf, we are looking to the Department in this regard. It has agreed to fund the free travel element for those services. That will come to us as part of the revenue that comes in against those services.

Chairman: When might that happen?

Mr. Tim Gaston: It is currently happening. We have already had some payments for the services and we are in discussions with the Department about-----

Chairman: Were payments received this year?

Mr. Tim Gaston: Yes.

Chairman: Has it always been the case?

Mr. Tim Gaston: We also received payments last year. It is an ongoing process.

Chairman: How much did the NTA receive from the Department last year in respect of those payments?

Mr. Tim Gaston: That income was a relatively small sum last year, 2018, because it was prior to Go-Ahead taking over services. We anticipate something in the order of €4.5 million for 2019.

Ms Anne Graham: In previous years it would have been in and around €71,000.

Chairman: It was a small sum

Mr. Tim Gaston: It was small in 2018 but we expect quite a bit more in 2019.

Chairman: How does the NTA calculate what is owed?

Mr. Tim Gaston: We have done a calculation based on journeys taken. This is the same information we discussed earlier. We know how many people have travelled on the service and then we calculate an average fare. If 1,000 people travelled on a particular service last week, we know the average fare of the fare-paying passengers. We apply a discount to that fare. The commercial bus operators in Dublin attract a discount of 70% against the full adult fare when being paid by the Department of Employment Affairs and Social Protection for free travel, but we have agreed with the Department that we will take a 60% discount for the time being. Those discussions are still under way at present. We simply know how many journeys have happened-----

Chairman: The NTA does not know, when someone hops on a particular bus or light rail

service, the length of the journey.

Mr. Tim Gaston: It gets a little bit complicated in some respects. It depends on the infrastructure that is available. In most cases, we do not know the full extent of the journey. Rather than use it for some cases and not for others, we would prefer to work on the basis of an average fare. This is not yet agreed with the Department. This is where-----

Chairman: When did this all start? Why was it not always the case?

Mr. Tim Gaston: Prior to the arrival of Go-Ahead, this issue did not arise. It was purely a payment from the Department of Employment Affairs and Social Protection to the CIÉ group. That is what the NTA inherited when we took on the role of transport regulator.

Chairman: I ask the NTA to send the committee a note on this issue.

Mr. Tim Gaston: We are happy to do that.

Chairman: Mr. Gaston is saying it is complicated. Without going back to data protection, when the issue of who knew what came up, there were questions about why the NTA was passing information on for the purposes of payment. The Comptroller and Auditor General was not quite sure whether the information was being used to get payment. The situation is evolving, which was not the case in the past. The issue of the discount has also arisen. Is the Luas included with Dublin Bus and Bus Éireann?

Mr. Tim Gaston: The Luas has a separate arrangement with the Department. Like CIÉ, it gets a block grant; the payment is not based on activity. The only services whose payment is based on activity are the commercial bus operators. They are paid based on the level of activity they undertake whereas CIÉ and Luas receive block grants.

Chairman: In other words, this is a demand-led scheme and the NTA really has no idea what it will cost. It all depends on how many people use the service.

Mr. Tim Gaston: We do know how much it costs.

Chairman: The figure for next year can only be estimated, however.

Mr. Tim Gaston: It would be an estimate, yes.

Chairman: Once a person has a card, whether he or she uses it once a year or 1,000 times a year, the NTA has to pay.

Mr. Tim Gaston: The good news from a free travel point of view is that there has been very steady growth. Something like an additional 10 million journeys have been taken by people with free travel passes over the last seven or eight years. There has been very good growth in the scheme.

Chairman: I am thinking from the operators' point of view. Some complain that, while they have commercial levels of use, they are not getting enough paying customers, as they would see it. It is a factor in that equation.

Mr. Tim Gaston: It is a factor in that equation. Where there is no additional revenue for providing an additional service, a challenge is created for an operator.

Chairman: This is operated through the Department of Employment Affairs and Social

Protection, rather than through the NTA.

Mr. Tim Gaston: Yes.

Chairman: I will follow this up with the Department, because it is expected before the committee in the coming weeks. That is fine. We mentioned the green schools travel programme earlier. What kind of budget does the NTA have for that scheme?

Ms Anne Graham: The annual budget for the programme is €1.8 million or €2 million.

Chairman: The NTA is reimbursing An Taisce. I believe it was said that it is run through An Taisce

Ms Anne Graham: I am sorry, the budget is €1.6 million.

Chairman: Does Ms Graham know how many schools that covered and their location? How many are covered in each county?

Ms Anne Graham: We can give the committee that information.

Chairman: I ask for that because I visited two primary schools in rural areas in my constituency recently, as public representatives are often asked to. There were more than 30 in the room in fifth and sixth class. I asked how many walked to school on that day and only one hand out of 31 went up. They were all being dropped to school. I am just saying it is not just urban areas where there are issues. Nearly every child in the country is being driven to school nowadays, one way or the other. That initiative really needs to be expanded right throughout the country. I ask the NTA to encourage An Taisce to come back with a more ambitious proposal for every subsequent year because in rural areas in particular people do not have any alternatives. They might say there is so much traffic on the roads that one could not dream of letting one's children out on the roads either. I am just saying the outcome is that children do not walk to school very much any more. The NTA has that programme-----

Ms Anne Graham: We do.

Chairman: -----but it needs to be much more ambitious. That is all I am saying.

Who has a role in bus shelters? Who decides where they go and when they are installed? I am sure there is not a town or a village not looking for a bus shelter for its area. People stand in the wind and rain and the NTA tells them that the location of bus shelters depends on certain matters and that advertising must be secured on them. I ask the witnesses to talk me through the system.

Ms Anne Graham: I ask Mr. Creegan to do so.

Mr. Hugh Creegan: It is fair to say we get more correspondence on bus shelters than on virtually anything else.

Chairman: There we are. The committee represents the people out there. As I said, there is not a town or a village not looking for a bus shelter. I ask the witnesses to talk me through the process. I have not brought in a list of villages.

Mr. Hugh Creegan: We took over responsibility for the provision of bus shelters about two years ago.

Chairman: From whom?

Mr. Hugh Creegan: Previously Dublin Bus had responsibility within the Dublin area and Bus Éireann had responsibility in the rest of the State. We took over responsibility and tried to run the system on a co-ordinated basis. Bus shelters cost a significant amount - in the thousands - to put in.

Chairman: Is the cost €10,000, €2,000-----

Mr. Hugh Creegan: If the bus shelter needs an electricity supply, we are talking about €10,000 or more. Others may be slightly cheaper, but in general they are not cheap. Then there is a maintenance cost afterwards. The glass gets broken and things like that happen. We are not able to put them everywhere. We had a policy of providing them in key towns initially. Now we have mainly done that and we recognise, to be blunt, that we must put more in over the coming years. We will expand our bus shelter programme to put them in more places but they cannot be everywhere. It is just not an economic proposition to put them in everywhere. It is quite hard to calibrate a rule that works for all locations. It is very difficult to have one single rule stating, "This is the equation, and if you are in, you are in, and if you are not, you are not." A little bit of judgment is required on occasion, but the key thing is that we know we must put in more and we will do that over the coming years.

Chairman: Some of the bus stops will be used sometimes by private operators or at other times by other operators. Does the NTA have a rule of thumb such that if 100 people a day use a bus stop, that stop will qualify for a bus shelter, or would there have to be 200 people? I know it is not a black-and-white matter and the population of the area comes into it, but the NTA must have some criteria.

Mr. Hugh Creegan: We do.

Chairman: Can the witnesses send us the criteria the NTA uses?

Mr. Hugh Creegan: We will do that. It is more a question of the number of services as opposed to the number of people. That is an indication. If there is only one service per day, it does not really warrant-----

Chairman: Of course.

Mr. Hugh Creegan: If there are many services, there is a different-----

Chairman: If, however, there are ten buses a day-----

Mr. Hugh Creegan: Correct.

Chairman: -----pulling up at a bus stop, it is an indication that there are people there.

Ms Anne Graham: Yes, it is an indication of activity.

Mr. Hugh Creegan: Correct.

Chairman: The witnesses might send us something on the criteria.

Is there advertising on the shelters? Does that help the cost-----

Mr. Hugh Creegan: That offsets the cost. We get a revenue stream from the advertising

to the tune of €5 million to €6 million. That goes back into the bus shelter and bus poles programme overall.

Chairman: What kind of budget does the NTA have for bus shelters for last year versus next year? I am asking for an estimate. Mr. Creegan said the NTA will do more.

Mr. Hugh Creegan: Next year, I think we will be in the €3 million to €5 million range regarding putting in bus shelters and bus poles around the country.

Chairman: If the NTA got 200 done for €1 million, at a cost per stop of €5,000, €3 million would provide for 600 bus stops. Am I in the right order?

Mr. Hugh Creegan: Yes, I think so. The Chairman's maths are quite good.

Chairman: Are the bus stops all done to a set design or does the NTA have different designs for urban areas and rural areas? Does it have a range of three or four different designs?

Mr. Hugh Creegan: We have a range of different sizes. The stops are all of a standard type. Something we want to look at is whether there is a different, lower-cost, smaller shelter we could use in rural areas. We do not have one yet. We must also deal with planning permission each time. All shelters need planning permission, and in many cases the circumstances of the site do not allow us to erect a stop. The footpath may be too narrow-----

Chairman: Who progresses that if the NTA picks a town?

Mr. Hugh Creegan: We do, through-----

Chairman: I ask the witnesses to tell us in the note how many stops the NTA has provided in each of the past couple of years. I ask them to provide detail of the NTA's budget or its plan and how many stops it has in planning. That will give us an indication as to what it might be able to do next year.

Mr. Hugh Creegan: Sure.

Chairman: Mr. Creegan understands.

Mr. Hugh Creegan: I do.

Chairman: That is probably the acid test. If the NTA has not applied for planning, it will not install the stop for a period anyway. The obvious point that everybody makes to the NTA is the need to ensure that the exposed part of the shelter does not face into the wind. The stops should shelter people. The witnesses hear that too.

Ms Anne Graham: Yes.

Chairman: There is no point in people having to stand behind a shelter to avoid the wind and rain, as happens. I think the witnesses know well what I am talking about.

Does the NTA have a role in cycle lanes? Some of the national routes have been bypassed and cycling lanes are now opening up in various parts of the country. Is that the responsibility of the NTA or Transport Infrastructure Ireland?

Ms Anne Graham: The greenways outside of the cities are more the responsibility of Transport Infrastructure Ireland, but in the regional cities and towns we certainly have a role in

providing-----

Chairman: The NTA has more responsibility in urban areas when it comes to cycle lanes.

Ms Anne Graham: Yes.

Chairman: We have asked about taxis. Do we have Uber operating in Ireland?

Ms Anne Graham: Uber operates as a dispatch operator, really, so there is no-----

Chairman: What does that mean? Is Ms Graham referring to hackneys?

Mr. Hugh Creegan: Uber basically operates services using licensed vehicles and drivers, in the same way as the other taxi operators. It operates in Ireland and is licensed by us.

Chairman: I see on page 89 of the NTA's accounts that it has a risk register. That is important. What are the top two, three or four risks on its register?

Ms Anne Graham: One is congestion and the impact it is having on public transport services. Our services will become more costly as a result of getting delayed in congestion. I will have a look at my risk register now.

Chairman: That is fine.

Ms Anne Graham: Another risk would be sufficient funding to deliver our remit. Obviously, that would be considered. Brexit is an area we are considering now. Then there are cyberattacks and significant technology failures. They are the kinds of key risks we face.

Chairman: I am pleased Ms Graham had that document to hand. That is a good sign. Some organisations have not had a risk register in two or three years when they have come before the committee. First, I am pleased the NTA has one and, second, I am very pleased Ms Graham had it to hand, which is a first.

I am looking at page 122 of the NTA's financial statement. It shows a spend of €6.6 million on what the NTA calls outsourced staff. The NTA is paying as much for outsourced staff as for its own staff. Its wages, salaries and staffing costs are €6.07 million, and the outsourced placement services costs are €6.6 million. We have asked the NTA to give us a breakdown of the types of firms involved. I ask the witnesses to tell us how long some of these people have been there. One would presume there is a higher risk of staff turnover, that that in itself is an issue and that the NTA is not getting continuity of staff. I have never seen an organisation with so many staff working on an outsourced basis keeping the organisation running. We complain about this in the HSE, but the number of outsourced staff working for that body is probably only a small percentage of its overall staffing. The witnesses cannot answer for other bodies, but I am not aware of any other significant State body that relies on so many outsourced staff.

Ms Anne Graham: That is being addressed, so it is not as if we are in this position and nothing is happening.

Chairman: For how many years has the NTA been in this position?

Ms Anne Graham: Our services have expanded in recent years. When we started off, we were not in this position. We had some outsourcing because certainly we outsourced-----

Chairman: When did the NTA go beyond-----

Ms Anne Graham: As we were planning, in terms of building up towards delivery of our capital projects in particular, and ensuring we had the right staff for the infrastructure we manage-----

Chairman: Let us take the position at the year end. The NTA probably has the figures-----

Ms Anne Graham: Yes.

Chairman: -----for staff numbers at the end of December or the end of its financial year. I ask the witnesses to go back a few years and show us the figures for the NTA's own staff versus the outsourced staff, the year in which the balance went, and the authority's projection to get it back-----

Ms Anne Graham: Absolutely.

Chairman: -----to where it should be.

Ms Anne Graham: We have that in our strategic HR plan.

Chairman: The NTA has the details.

Ms Anne Graham: We do.

Chairman: We ask the witnesses to send them to us because I would have thought that, while it might not be as big a risk as a cyberattack, this is still a risk.

Ms Anne Graham: It is a risk.

Chairman: I would expect the NTA to have this on its risk register.

Ms Anne Graham: Yes, it is on the register as well.

Chairman: If it affects continuity of staff, it affects continuity of service and so on.

The next item I want to ask about is small but very significant, namely, Tax saver ticketing. I know how the scheme works but I want to know how it works from the NTA's point of view? How many Tax saver tickets are there? Does the NTA get the gross cost of the ticket or the net cost minus the tax?

Ms Anne Graham: I ask Mr. Gaston to respond to that.

Mr. Tim Gaston: I do not know exactly how many people have a Tax saver ticket but our revenue in 2018 was of the order of €75 million. It is a very significant part.

Chairman: Is that revenue from the Tax saver product?

Mr. Tim Gaston: Yes.

Chairman: Must a ticket be annual?

Mr. Tim Gaston: There are annual and monthly tickets. Some employers support monthly tickets. The Tax saver scheme has to be managed through an employer so it is only for employees. A self-employed individual cannot avail of it. The employer needs to sign up to the scheme. The scheme is currently managed by the transport operators themselves - Dublin Bus, Bus Éireann, Irish Rail and also private operators. The employer signs up and the employee can

then order a ticket through the employer. Our involvement is really around putting the product electronically onto the Leap card. It needs to be personalised because the tax benefit is only to the individual personally. The product can go only on a personalised Leap card.

Chairman: Do they all come back through the NTA for that purpose, even those of the private operators?

Mr. Tim Gaston: Yes. The private operators are only just starting to put it onto the Leap card. Most of their products are just manually produced paper passes. Regarding the State-subsidised operators, we would be involved in the process of producing-----

Chairman: At what rate of tax is the deduction?

Mr. Tim Gaston: There are two rates, 40% and 25%, depending on the rate at which one pays tax.

Chairman: So it can be 40%.

Mr. Tim Gaston: It can be, yes.

Chairman: Let us say an annual ticket happens to cost €2,000.

Mr. Tim Gaston: We get the €2,000 but the employee pays only at his gross salary rate, before tax.

Chairman: Mr. Gaston has answered the question. I was concerned that the NTA was getting only the net amount.

Mr. Tim Gaston: No, we get the gross amount.

Chairman: The NTA gets the full gross amount, to the value-----

Mr. Tim Gaston: Yes.

Chairman: -----and they get the tax back, between them and the Revenue Commissioners.

Mr. Tim Gaston: Exactly.

Chairman: The NTA is not involved and does not know whether a rate of 20% or 40% is applied. That has nothing to do with the NTA.

Mr. Tim Gaston: It does not.

Chairman: My sole purpose in asking my question was to establish that the NTA gets the gross value of the tickets, not the value net of tax. I am pleased to know the NTA is not at a loss.

I have one question on the accounts. The legal fees were €1.44 million, up from €695,000. Why so? What was the big issue last year in regard to legal fees? It was a big jump. I refer to page 87.

Ms Anne Graham: The big issue was the marine passenger rights case. This related to Irish Ferries cancelling a number of services. We received a number of complaints. According to the complainants, the operator was not complying with the passenger rights regulations. We obviously took an enforcement case. We received quite a lot of advice related to it. A good bit of the advice was received in regard to GDPR in the lead-up to the case-----

Chairman: On that very case, did the NTA win or lose?

Ms Anne Graham: It is still in High Court proceedings.

Chairman: So the NTA might have costs awarded. Ms Graham does not know.

Ms Anne Graham: We may do.

Chairman: It is still ongoing.

Ms Anne Graham: It is still ongoing.

Chairman: So the figure we see here is not the final one.

Ms Anne Graham: No.

Chairman: That is fine.

When I was coming to this meeting at 9 o'clock this morning, a lady stopped me in the corridor and said I had to ask the NTA about disabled customers often having to give advance notice as to when they want to use a service. Will Ms Graham talk me through that?

Ms Anne Graham: On our city services, there is no such requirement because there are wheelchair accessible and low-floor buses. The issue is generally whether the wheelchair space is available as it may be taken up by other users. With our regional coach services, because the facilities are not yet available throughout the State, one still needs to book 24 hours in advance to ensure that a wheelchair space is available for one. Where there is a vehicle with a wheelchair lift, the seats have to be taken out and it must be ensured that the lift is operational.

Chairman: Could Ms Graham explain those services again for people watching?

Ms Anne Graham: Usually services provided by a high-floor coach have a side access wheelchair lift. The operator has to take out the seats in advance and make the space available the following day. The operator needs notice so it can arrange for the seats to be taken out.

Chairman: Ms Graham is saying there is a lift but no space unless special arrangements are made.

Ms Anne Graham: The customer would need to know the space is available for him or her when seeking to use the service. It is preferable currently to book in advance to ensure there is a vehicle with a wheelchair lift and that the seats have been removed so the vehicle can be accessed. We are not saying that is a good customer experience, by any means.

With regard to rail, because of the difference in height between the platform and the entrance to the carriage, a ramp is required. Again, the operator requires 24 hours' notice for intercity services but it has been able to reduce the notice period to four hours for DART and commuter services. Again, we are not saying that is the best customer experience and we would like to work with the operators. They, too, want to see improvements.

The new coaches we are putting into service with our operators regionally have low-floor entry from the front. The services still need to be booked in advance to ensure space is available and a bus is available on the service one wants to use. It is not the best service, by any means, but we are on a journey of improvements. The first aspect of this was improving the fleet and ensuring a more appropriate type of fleet for our wheelchair using customers.

Chairman: Ms Graham can understand why the person stopped me on the way to the meeting.

Ms Anne Graham: Very much so.

Chairman: The last question might not concern Ms Graham. With more people commuting, who is responsible for car parking at train stations? Is it a matter for Iarnród Éireann or does the NTA have a role? Does it help to fund the service? As far as Iarnród Éireann is concerned, it is in the business of carrying people on trains, not putting in tarmacadam car parks for its customers. Based on my analysis, that is its view when the chips are down.

Ms Anne Graham: I believe it is considering improving its car parking facilities and expanding them, particularly now. A very important part of what will be our park and ride strategy will be ensuring additional spaces are available at our rail stations to cater for park and ride by rail.

Chairman: Does the NTA partly fund that?

Ms Anne Graham: We have done and will do.

Mr. Philip L'Estrange: Within the Dublin area, we funded various train stations.

Chairman: I am thinking of the commuter belt. Louth, Meath, Kildare and Laois commuters are all affected.

Ms Anne Graham: Meath and Kildare would be covered.

Chairman: They sneaked in already.

Ms Anne Graham: They are in the greater Dublin area so they are covered.

Chairman: Could the witnesses send us a note on the type of funding available and where funding was made available, and also the areas where it is up to Iarnród Éireann, possibly working in conjunction with a local authority, as is sometimes the case?

Ms Anne Graham: Yes.

Chairman: We are finished with our questions. I thank Ms Graham and all her officials for attending. I also thank the officials from the Department of Transport, Tourism and Sport and the Comptroller and Auditor General and his officials. It is agreed that the clerk will seek any follow-up information required and take any other necessary action.

At our next meeting, we will meet representatives of Caranua, the body responsible for providing support to survivors of institutional abuse, to discuss its annual financial statements. We will want senior officials from the Department of Education and Skills present. That Department has been providing us with an update on the property transfer and anything outstanding under the various indemnity agreements. Apart from requiring a written update, we want senior officials from the Department to give us an update personally on the day.

The witnesses withdrew.

The committee adjourned at 2.20 p.m. until 9 a.m. on Thursday, 17 October 2019.