

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ COMMITTEE OF PUBLIC ACCOUNTS

Déardaoin, 16 Iúil 2026

Thursday, 16 July 2026

The Committee met at 9.30 a.m.

MEMBERS PRESENT:

Deputy Cathy Bennett,	Deputy Eoghan Kenny,
Deputy Grace Boland,	Deputy Paul McAuliffe,
Deputy Joanna Byrne,	Deputy Séamus McGrath,
Deputy Martin Daly,	Deputy Paul Murphy,
Deputy Aidan Farrelly,	Deputy Joe Neville.
Deputy James Geoghegan,	

DEPUTY JOHN BRADY IN THE CHAIR.

Ms Colette Drinan (*Secretary and Director of Audit with the Office of the Comptroller and Auditor General*) called and examined.

The committee met in private session until 9.47 a.m.

Business of Committee

An Cathaoirleach: No apologies have been received. I welcome Deputy Martin Daly, who has been appointed to fill the vacancy left by appointment of Deputy Catherine Ardagh as a Minister of State. I can tell Deputy Daly that we work well together as a committee. We have a lot to cover, such is the extent of our remit. We have covered many serious issues in light of concerns relating to value for money and waste. If I, as Cathaoirleach, can be of any assistance to Deputy Daly, he should know that my door is always open. I do not know whether anyone else wants to welcome the Deputy.

Deputy Séamus McGrath: I also welcome my colleague. The Deputy's role as health spokesperson brings a particular level of expertise to the committee. Many of our discussions relate to health matters, whether it is hospitals, the HSE or whatever. The Deputy's expertise in that area will certainly be beneficial to the committee. I very much welcome him on board.

An Cathaoirleach: I thank Deputy McGrath. Before we proceed, I have a few housekeeping matters to go through. Members are reminded of the provisions in Standing Order 226 to the effect that the committee shall 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. Members are also 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 Houses or an official either by name or in such a way as to make him or her identifiable. I would also like to remind members of the constitutional requirement that in order to participate in public meetings, they must be physically present within the confines of the Leinster House complex or within the precincts of Leinster House.

The agenda for the first part of the meeting is as follows: the minutes, accounts and statements; correspondence; upcoming meetings; and the committee's report. The committee will then suspend before engaging with officials from the National Transport Authority and Iarnród Éireann at approximately 10.30 a.m.

The minutes of the meetings of the 9 July and 13 July were agreed by the committee.

These will be published on the committee's webpage.

Twelve sets of accounts and financial statements were laid between 6 and 10 July 2026, which are due to be considered today. We are joined by Ms Colette Drinan, secretary and director of audit, who is attending on behalf of the Office of the Comptroller and Auditor General, who is a permanent witness to the committee. I ask Ms Drinan to address these before opening the floor to members.

Ms Colette Drinan: The first set of accounts we are noting are: the Personal Injuries Resolution Board for the year 2025, which were certified on 2 June and received a clear audit opinion; the Industrial Development Agency Ireland for the year 2025, which was certified on 17 June and received a clear audit opinion; and Enterprise Ireland for the year 2025, which was certified on 17 June and received a clear audit opinion.

Next we have eight sets of accounts the National Treasury Management Agency, NTMA, prepared, of all which were certified on 29 April. These are: the National Treasury Management Agency's administration account, which received a clear audit opinion; the national debt of Ireland accounts, which received a clear audit opinion; the Post Office Savings Bank Fund, which received a clear audit opinion; the State Claims Agency, which received a clear audit opinion; the Ireland Strategic Investment Fund, ISIF, received a clear audit opinion. However, attention was drawn to a loss arising from a fraudulent request from a third party for payment of €5 million under a legitimate investment agreement. A net loss of €2.5 million was recognised in 2025 after accounting for what the agency could recover and the investigation costs that had been incurred. The committee discussed that with the NTMA on 14 May when it appeared before it; the Infrastructure, Climate and Nature Fund, which received a clear audit opinion; the Future Ireland Fund, which received a clear audit opinion; and the Dormant Accounts Fund, which received a clear audit opinion.

The final set out of accounts we are noting are the Child and Family Agency, Tusla, which received a clear audit opinion. They were certified on 15 June. However, attention is drawn to a material level of non-compliant procurement.

An Cathaoirleach: Do any members wish to comment?

Deputy Paul McAuliffe: Regarding the Child and Family Agency, I ask Ms Drinan to tell us the nature of the non-compliant procurement or what element of the operation it refers to.

Ms Colette Drinan: It was €3.8 million. It related to a large number of contracts. It was about 50 contracts. The largest items were in relation to services in respect of security and transport.

Deputy James Geoghegan: In the context of the ISIF accounts that were noted and come under the NTMA, which we had before this committee. At last week's hearing, when RTÉ was present, it made clear that the only body that is holding it to account in respect of the delivery of its strategy of having up to 400 people, reduction of headcount and meeting a ratio of operating costs versus staff is the New Economy and Recovery Authority, NewERA.

Similarly, we are going to hear from the NTA and Irish Rail today. The Department of Transport is carrying out a third process in respect of the IT project within Irish Rail. It is also consulting with NewERA. We should write to NewERA to see what it can provide to us in relation to how well RTÉ is fulfilling its strategy and meeting its goals because we did not get a straight answer in respect of either of those things. Pending the outcome of this hearing, we might consider bringing in NewERA at the appropriate juncture to hear from it regarding some of these issues that have emerged.

Deputy Aidan Farrelly: I wish to build on the piece regarding the Child and Family Agency. I propose that we write to it to ask for a detailed note on all that non-compliant procurement. What we know when it comes to Tusla is that, in some cases, security means staff. If there are staffing arrangements in place that are non-compliant, that is something we need to have information on. I ask for an explanatory note from Tusla over the recess as to the nature of that and to show that the practice has come to an end.

An Cathaoirleach: Do any other members wish to comment? No.

Regarding to ISIF and the net loss of €2.5 million, this was an issue we discussed extensively with the NTMA when it was in. It was limited as to what information it could give in relation to that fraud of €5 million. It said it was precluded because it was an ongoing process. There were specific questions asked as to whether there was potentially a State player involved, where it originated from, etc. It could not give any information. What we see now in the accounts is that a decision has been taken now that the €2.5 million is not going to be collected. That would lead me to believe the investigation has concluded. It is extremely disappointing to see a fraud of that level costing €2.5 million. It is welcome that €2.5 million was recovered but it is a considerable amount. I propose that we write to ISIF and find out exactly what the status of the investigation is and whether there is an ongoing Garda investigation and to see if more details in relation to that can be furnished and what lessons have been learned. It said it had learned a lot of lessons but we certainly need a lot more information regarding that.

Deputy Séamus McGrath: I fully support the Cathaoirleach on that. A total of €2.5 million as a net loss is a sizeable amount of money. If things have progressed from when had that discussion on the matter previously, we should probe it further and try to get as much information as possible. I fully support the Cathaoirleach's proposal that we would write to it in the first instance.

An Cathaoirleach: Do any other members wish to comment? No.

Do members agree to note the listing of accounts and financial statements and follow up on those proposed course of actions? Agreed.

Moving on to correspondence, there are a number of B items of correspondence to consider today. These have been received by Departments and public bodies. We will start with one item that was deferred from last week's meeting. No. R2026/0350, dated 30 June 2026, is correspondence received from the Office of the Commissioner of An Garda Síochána in response to the committee's request for further information regarding procurement of cell windows in Garda stations. Do members wish to comment on that? No. Is it agreed to note and publish the item? Agreed.

The next is No. R2026/0353, dated 2 July 2026, is correspondence received from the chief executive officer of Inland Fisheries Ireland, IFI, in response to the committee's request for further information in relation to external media communications training. Do members wish to comment on that? No. I have a brief comment to make. There was a lot of concern when got the breakdown of the figures for media training by IFI before it attended the committee. It was €53,933, which was excessive and extensive. It gave a breakdown and had provided a breakdown in relation to that previously. In this new correspondence, it gives additional costs. The additional legal costs in preparation for that meeting with us were €16,768, excluding VAT. For one appearance before the public accounts committee, it cost over €70,000. That is not including the VAT for the legal costs. It is extraordinary. Given some of the difficulties stemming from our engagements with IFI, it is excessive. There needs to be lessons learned from that. No one is saying that legal advice cannot be taken but when we take it as a whole, over €70,000 for media training and all associated costs is excessive.

Deputy James Geoghegan: I do not know why it is giving us the figure, excluding VAT. We are not its accountants. At the end of the day, this was 23%. It was €85,000 or close to €90,000

to attend the public accounts committee. Can we imagine if every single witness that came before the committee spent €90,000 to prepare to come before us? This committee would be a laughing stock in the sense that we would be increasing taxpayer spend just by scrutinising the taxpayer spend.

An Cathaoirleach: It is extraordinary.

Deputy James Geoghegan: It is farcical and frustrating. I do not know what else we can say in relation to this but it is just absolutely appalling.

Deputy Aidan Farrelly: If you calculate the hours spent in preparation for a two- to three-hour meeting, it was probably ten times that in preparing for that, which, in and of itself, as a second meeting, really raises questions as to the sincerity in which IFI came before us the second time. How far are we willing to push this, though, in terms of a recommendation? Should we ask the Department of public expenditure to issue a circular to all bodies saying, "You are not permitted to spend money on training or preparing for Oireachtas committee meetings"? It is not an appropriate use of taxpayer money. It is as simple as that. When you appear before any Oireachtas committee, I am of the opinion that we could ask at least for the Department of public expenditure's opinion on this as a starting point to see if that is what we should do.

An Cathaoirleach: Yes, absolutely.

Deputy Paul McAuliffe: I refer the committee back to the correspondence we had from the Department of public expenditure - I think it was two weeks ago - in which it said training is provided for members of the public service or the Civil Service appearing before Oireachtas committees. I do not think any of us take for granted that coming before an Oireachtas committee and appearing on live TV is an onerous task that is not part of people's everyday tasks. I therefore have absolutely no problem with people preparing maybe their own training, but what is here is anything but training. What is here is an organisation trying to get its story straight before it comes before this committee, and the same systemic problems it has displayed in so many other areas appear to have been displayed in this correspondence. I just want to separate it out. This is unusual. I do not think this is something that happens for all witnesses who come before us. It is an example of the significant issues that arise in this organisation and why this committee needs to continue to examine them.

Deputy Cathy Bennett: It is an incredible waste of taxpayers' money that up to €90,000 was spent on social media or for IFI to come in here and appear before us and for everything that happened in advance of that. I want a question to go back: was there procurement? At over €25,000, there should be procurement. I want to see whether other contractors were sought in relation to this because I do not believe there could have been in haste. We want people to come in here and to give us genuine delivery when we interview them, without haste.

I also want to ask what the Government is doing about this. Has a Government circular been sent to every organisation that has government funding? Is there a policy in place for media training? I want to know whether the Government has a circular in relation to all Departments. We have seen this right across the board. I refer to the number of people who have come in here and have had media training. I want to know whether the Government has released a circular in relation to that. Maybe it could be a question that would go out to every Department from this committee asking if the Government has released a circular on media

training. If we were to add it up right across every organisation that receives government funding, as to whether they have had media training, the majority have said yes. I want to see if the Government is acting on this, what action has been put in place and what is going to happen going into the future.

Deputy Séamus McGrath: A lot has been said and I just want to add my voice. It is a disturbing waste of public money, to be perfectly frank, and it brings to the fore a culture of total disregard for the appropriate use of public money, effectively. We need to condemn it in the strongest possible terms as a committee. We also need to send a message that this is going to be a question we will be asking State agencies in future when they come before us, that we will be putting a spotlight on this in terms of the use of public money for communications or other training in advance of appearances here, because we simply cannot tolerate this.

An Cathaoirleach: I agree with all those comments. It is an insult to the integrity of this committee. Previous correspondents have actually said they got media training because there was nearly an ask from this committee that they review their communications strategy following their first appearance. It was a criticism of their failure to engage the first time they were here. The question was asked, "What media training did you get? Maybe you need to question how effective that was." That was not a blank cheque for them to go out and spend this amount of money on training. It speaks of systemic issues within the organisation and is completely unacceptable. As a committee, we need to look at this issue in the whole because I do not think it is just an issue particular to IFI. I propose that we write to each Department and agencies under their bodies because, yes, we have these bodies coming before us but they also appear before other Oireachtas committees. Is there outsourcing? Is additional media training given before they appear before all those committees? We need to see the total cost to the State for appearing not just before the public accounts committee but before all the Oireachtas joint committees. I propose that we write to each Department asking for details as to what external media training they and the agencies under their remit have received before appearing before any Oireachtas committee. We should look at it. Someone mentioned recommendations. It is an issue of grave concern, and that is not criticising some organisations that do need assistance, but there is assistance given. We have written to the Department of public expenditure in the past and it has come back and provided us information on existing training and assistance that can be provided. As to why that is not being availed of, we need to ask that question.

Deputy James Geoghegan: People are looking for accountability on this issue. It is important to remember that IFI has a board, and the members of that board should really be looking at themselves if this issue did not come to the attention of the board as to the appropriateness of that spend. It is supposed to hold to account the executive of that organisation as to how it spends its money. As to how any board member sitting on a State board could think it appropriate to spend up to €90,000 to appear before a public accounts committee, they really have to look themselves in the mirror. This is a new CEO. We should write to the new CEO and ask, "Do you think this was an appropriate level of spend to appear before a public accounts committee?" We should hear from the new CEO. Let us hope that cultural change is taking place, that board members take note of this and that change is happening in IFI, because this just beggars belief.

An Cathaoirleach: This correspondence is from Dr. Eamonn Kelly.

Deputy James Geoghegan: That is right.

Deputy Cathy Bennett: To conclude-----

An Cathaoirleach: Just briefly, Deputy Bennett.

Deputy Cathy Bennett: Can we just ensure that we seek clarity on procurement and on whether circulars have gone from the Government to boards to ensure that they are not spending this amount of money on media training?

An Cathaoirleach: Okay. I think the question about procurement was answered in IFI's initial correspondence.

Deputy Cathy Bennett: So did IFI get procurement for this?

An Cathaoirleach: IFI said it was an existing framework, but we can get clarity on that point.

Deputy Séamus McGrath: I have a suggestion. No doubt other entities coming before us spend money on pre-session training, and we do not always ask that question because we are often discussing a lot of issues when they come before us. Would it be an idea that, as a matter of course, we ask that question in our pre-session correspondence, "Please provide information on any pre-session training, communications, legal, etc.", to everyone who comes before us prior to their coming before us to provide clarification on that issue? It is something we should consider.

An Cathaoirleach: That may be an issue when we issue the invite, that we can ask for in communication, whether it is a briefing note or whatever, which all bodies send in advance, and that they can touch on that and the cost. Is that agreed? Okay.

Is it agreed to note and publish the item along with the proposed actions? Agreed.

No. R-2026-0355 is correspondence received from the Secretary General of the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation in response to the committee's request for further information following the meeting on 11 June 2026, dated 3 July 2026. Do members wish to comment? No. Is it agreed to note and publish the item? Agreed.

No. R-2026-0356 is correspondence received from the Department of Agriculture, Food and the Marine providing a note of delay of the C and AG's audit of the Aquaculture Licences Appeals Board's 2025 financial statements, dated 3 July 2026.

Do members wish to comment? Is it agreed to note and publish the item? Agreed.

No. R2026/0361 is correspondence received from the Secretary General of the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation in response to the committee's request for further information regarding capital projects, dated 8 July 2026. Do members wish to comment? Is it agreed to note and publish the item? Agreed.

No. R2026/0362 is correspondence received from the chairperson of the Office of Public Works in response to the committee's request for further information regarding the arbitration determination in respect of the proposed national children's science centre, dated 10 July 2026. The committee discussed this item at a private meeting on Monday, 13 July 2026, and it was

agreed to note and publish it. Do members wish to make any further comments on this item? We will be discussing our report later on. It was previously agreed to publish that.

No. R2026/0365 is correspondence received from the chief executive of Irish Rail providing a response to information requested regarding the train management system, including the reported scale of expenditure on writedowns and the issues raised in respect of governance, oversight and delivery of the project, dated 10 July 2026. The CEO of Irish Rail will be in attendance shortly to discuss the matter further. Is it agreed to note and publish that item? Agreed.

No. R2026/0367 is correspondence received from the chief executive officer of the National Transport Authority in response to additional information requested by the committee, including a full breakdown of the reported €50 million writedown associated with the train management system, dated 10 July 2026. Again, the CEO of the NTA will join us shortly to discuss this item. Do members wish to comment on that? The NTA gives additional information regarding the electric buses that are in storage. We will have an opportunity to discuss it with the NTA but it is quite concerning that the new information gives a total value of the 98 buses that are still in storage. This is an €58.3 million investment in essential buses for our fleet that are in storage. The NTA also gives additional costs. It says it is expected that it will not cost an additional €1.5 million to store those buses until they become operational. We will be discussing many of the systemic failures within the organisation shortly. It is extraordinary. The NTA has such a valuable asset - not just these 98 buses but the other ones that were in storage as well. It is expected to cost over €8 million over a number of years to store those buses because of a failure to forward plan. It speaks volumes about why the NTA is ending up before us again because of all of those failures.

Deputy Grace Boland: The NTA's witness statement for today states that it is the approving authority while Irish Rail is the sponsoring authority, but I am totally confused when it comes to the buses because the NTA is acquiring the buses. Is the NTA the approving authority or the sponsoring authority or is it both? The lines are so blurred when it comes to the many hats the NTA wears that it does give us cause for concern regarding governance. Does the NTA have the capacity and expertise required? Does it have a clear understanding of whether it is the approving authority or the sponsoring authority in every different segment of the many hats it wears?

An Cathaoirleach: This will be an opportunity because the lines are being blurred. It is a key question. Ultimately, it appears that when something does go wrong, the NTA is very quick to throw someone else under the bus, to use that expression. Is it agreed to note and publish that item? Agreed.

R2026/0370 is correspondence received from the Secretary General of the Department of Climate, Energy and the Environment in response to the committee's request for further information following the meeting on 21 May 2026, dated 10 July 2026. Do members wish to comment? Is it agreed to note and publish the item? Agreed.

R2026/0371 is correspondence received from the Secretary General of the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation in response to the committee's request for the attendance of a representative from the Office of the Government Chief Information Officer, OGCI, on 16 July 2026, dated 8 July 2026. Do members wish to

comment? I will make a brief comment on this because there was a request from us for a representative from the OGCIO to attend this meeting. We know the role it is supposed to play in terms of oversight of IT expenditure and programmes. It speaks volumes that it has essentially said that it does not see a role for itself in attending this critically important meeting, which will discuss a massive failure of an IT project that has led to a write down of €50 million. For the Department to come back and essentially say that it does not see a role for anyone from the OGCIO to attend here today to answer questions speaks volumes about why we are in the mess we are in.

Deputy Grace Boland: This goes back to a point I raised at our meeting in January with the NTA. This project was not classed as an IT project. It was classed as a building project notwithstanding the fact that the purpose of the building was train control. The software was actually the key part of delivering this project but, for some reason, under the various circulars, it was classed as a building project rather than an IT project. That is a point we raised with the NTA in January along with the Department. Something is seriously wrong with that. It leads us to wonder whether there are any other IT projects that are classed as something else when, in essence, the purpose of them is an IT deployment.

Deputy James Geoghegan: Deputy Boland raised a very important point. If we contrast the ICT project in the Arts Council with the ICT project in Irish Rail, as I recall, there was engagement between the OGCIO and the Arts Council as problems emerged. Admittedly, the Department and the OGCIO were very quick to make it clear that, ultimately, the responsibility lay with the Arts Council in respect of that project but there was engagement and there was some kind of formal role. As Deputy Boland said, it is that lack of clarity when it comes to State bodies as to what role, if any, is played by the OGCIO and at what the stage it has any function whatsoever. As Deputy Boland said, it appears with this project, it did not have any role or function and it is not clear why that is the case.

Deputy Paul McAuliffe: I can understand why the OGCIO is looking at the way we are examining these projects and is thinking, "We don't want to be before the public accounts committee every week," but what is clear is that we were inviting it as a representative body. The fact that it would be here and give evidence that there was no engagement or that it had not been consulted is important because many of the issues regarding these schemes result from very poor planning at the outset. I can understand the case the OGCIO is making regarding each body having its own fiduciary responsibility and so on. That was not the remit under which we sought to bring it before the Committee of Public Accounts. We sought to bring it here to provide assistance to the committee. We need to clarify the OGCIO's remit and role with it and make clear why we are inviting it here. It is disappointing that it does not have somebody present.

Deputy Aidan Farrelly: This relates to our work as a committee regarding analysis of ICT projects overall.

We need to include quite a specific piece of work from the Office of the Government Chief Information Officer, OGCIO. It is a common thread in many of the cases, be those ones where, as Deputy Geoghegan said, support was sought but was not forthcoming or where, by way of miscategorisation, it was not involved in the project. We are not learning the lessons if we do not stop and look. Our work examining ICT infrastructure overall is a real opportunity to highlight that. State bodies, including Departments, do not have the intrinsic competency to

get briefs right when it comes to ICT projects. That is proven across the board now. My understanding is that is where the OGCIO should step in and provide competency. If it is not being utilised or offered, we have big problems here. I ask that we consider that as part of our ongoing work with ICT infrastructure.

Deputy Cathy Bennett: There is the underlying issue that no one is taking responsibility. The Department of public expenditure and the OGCIO are doing nothing to alleviate this. No action is being taken. As far as I remember, the Arts Council sought support at the time – they did not get that help. It is an underlying issue running across all Departments. The Government has to take responsibility here. This is money that taxpayers have paid into the system that Departments are giving out and for which there is no accountability. Every day we come into this committee, we see it. Ministers need to take responsibility for the Departments they are over. We cannot go around blaming the OGCIO, the Arts Council or any other entity. The Government and Departments need to take responsibility for where Government funding is going.

An Cathaoirleach: It also says in the correspondence that because Irish Rail is a commercial semi-State body, it does not see a role for itself. That adds another concern. It is an issue we will return to. I will let the Comptroller and Auditor General's office come in.

Ms Colette Drinan: It is just to draw attention to the circular that governs the arrangements for oversight of digital and ICT-related initiatives that was issued in 2021. It sets out whom it applies to. It applies to all Votes and centrally funded public services bodies, and then to non-commercial State bodies with a turnover of more than €5 million. Maybe there is a piece there around the applicability of that.

Deputy Grace Boland: What is that?

Ms Colette Drinan: It is Circular 14/2021.

Deputy Grace Boland: I asked the NTA about that circular in January and was told it did not apply because the project was a €150 million project and it was a building, notwithstanding the fact that the ultimate aim of the project was to deliver the software for the traffic management system. The NTA said it did not fall under that because it was classifying it as a capital build.

Ms Colette Drinan: If it was classified as ICT, the fact that it is a commercial State body could create a difficulty as well. I take the point.

An Cathaoirleach: Is it agreed to note the item and follow up on the issues identified? Agreed.

Next is No. R2026/0373, correspondence received from the chief executive officer of Bus Éireann, in response to the committee's request for information relating to correspondence received from the National Transport Authority regarding Bus Éireann capital projects, dated 15 July 2026. Do members wish to comment?

Deputy Séamus McGrath: First, I thank Bus Éireann for the reply. It is quite detailed. I raised some issues around the bus depot. Initially in 2023, it was estimated to cost €10.7 million, but it ultimately cost close to €17 million, which is a significant jump. There are some explanations in the correspondence, including the scope of the project increasing and so on. It

still raises concerns about the budgeting and estimation process in 2023 setting it at just over €10 million when it ultimately cost close to €17 million, but the response does provide us with some additional information, which is welcome.

An Cathaoirleach: Is it agreed to note and publish the correspondence? Agreed. That concludes the B items for discussion today. We now move to the work programme.

Deputy Joanna Byrne: Did the Chairman miss No. R2026/0372? It is Irish Sport for Palestine.

An Cathaoirleach: We dealt with that in private session.

Deputy Joanna Byrne: Once we are actioning it, that is fine.

An Cathaoirleach: It was agreed that we will follow up and get further information.

Deputy Joanna Byrne: Grand, no problem. Thank you.

An Cathaoirleach: That was No. R2026/0372, correspondence from Irish Sport for Palestine requesting that the committee investigate the legal risks associated with the FAI's use of public money to fulfil the upcoming match against Israel. That is dated 14 July 2026. We discussed it. I know the Deputy was absent.

Deputy Joanna Byrne: No, I was here.

An Cathaoirleach: The Deputy wants to discuss it now, sorry.

Deputy Joanna Byrne: I was not sure if it was in the B or C section. There has been significant public debate on whether Ireland should fulfil these fixtures against Israel. We all know that Israel continues to commit genocide and practice apartheid and is in breach of both FIFA's and UEFA's statutes. This correspondence from Irish Sport for Palestine rightfully prompts a different conversation in regard to public money in fulfilling these fixtures. The FAI produced a document to issue to its general assembly members in advance of its EGM last week that gave a predicted financial cost to the Irish taxpayer of not fulfilling these fixtures. It was a substantiated figure of between €5.5 million and €10.3 million. It also included the gate receipts of the match going ahead in Dublin even though it had already decided to move it to a neutral venue, so its own figures posed questions in that regard. That, however, was for the delegates and members to decide on. Interestingly, it did not provide a cost assessment of what it would cost the Irish taxpayer to proceed with fulfilling these fixtures. There are legal implications for Ireland in this regard and the use of public money to fund these matches against Israel comes into question. As I outlined in private session, if these matches proceed, there will be a case for the FAI to come before the Committee of Public Accounts to answer in regard to the money aspect. For now, I am happy for us to initiate the process by writing to the FAI and asking for clarity around the legal and financial implications of the public moneys funding these matches.

Deputy James Geoghegan: We agreed that the letter would be written but in order that we do not raise expectation, the FAI is not accountable to the public accounts committee. Raising expectations would be unfair to people out there who are very motivated in respect of this issue. It is an issue that a lot of people in Ireland are upset, concerned and frustrated about and I do not want to give false expectations to them because at the end of the day, the only bodies that

can come before this committee are those that are accountable to the Committee of Public Accounts.

An Cathaoirleach: I hear what the Deputy is saying. We have agreed to write and start a process. We will see the outcome.

Moving on to the work programme, the following meetings have been agreed. Today, 16 July, we will meet the NTA and Irish Rail. The committee will return after the summer recess and meet on 17 September to consider business of the committee.

Moving on to reports, the committee is publishing its interim report on the national children's science centre today. The report examines matters relating to the development of the proposed national children's science centre. This interim report is being launched following a comprehensive piece of work into this debacle. It is a saga that has dragged on for more than two decades. The report lays bare a deeply concerning picture. More than €4.2 million has already been spent on planning and legal costs, with further legal costs still to be finalised. The estimated construction costs had risen to more than €70 million when last costed two years ago in 2024. This excludes the fit-out costs estimated at around €19 million in 2022 and a further €30 million in State support over ten years for operational and exhibit renewal.

Despite these escalating costs, the project still has no sponsoring Government Department and no funding allocated under the national development plan, and yet the Office of Public Works remains legally obliged to continue progressing the project, with work already under way to prepare for a tender process to be completed by the end of 2026. We know that over €22,000 has recently been paid to technical consultants as part of this process. Every day that this situation continues, more money continues to be spent, despite there being no credible pathway to delivering the project.

The committee's central conclusion is clear that an urgent political intervention is now required. The Government cannot continue, in my view, to bury its head in the sand while public funds are exposed to mounting costs and increasing legal risk. The issues at the heart of this project will not be resolved by the parties currently involved acting alone. Without decisive Government leadership and a clear political decision, the State faces continued uncertainty, further delays and even greater costs to the taxpayer.

We have examined the evidence, published our findings and made very clear recommendations, with six recommendations in total. A couple of the key recommendations include that the committee considers that the matters identified during its examination are unlikely to be resolved through engagement between the parties alone and will require consideration at an appropriate level across government. The committee recommends that the OPW and the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation and other relevant Departments engage directly and as a matter of priority with representatives of the national children's science centre, with a view to identifying a way forward for the project or a way to end any commitment to the project while minimising any cost to the State.

Another key recommendation is that the committee recommends that prior to any significant further commitment of public resources, the OPW undertakes a comprehensive assessment of the project's costs, benefits, governance arrangements, operational model, long-term funding requirements and value for money, including an assessment of the financial, legal and

contractual implications of terminating or withdrawing from the project, and that issues relating to sponsorship, governance and funding be clearly identified and assessed.

It is clear that no further public money should be committed until a comprehensive assessment is completed. In my view the responsibility now rests with the Government and, in particular, with the Minister for public expenditure, Deputy Chambers, along with the Minister of State with responsibility for the OPW, Deputy Moran. Ultimately, we cannot continue to ignore this massive and growing liability to the State. Action must be taken now to protect money, bring all the parties together and finally bring this long-running saga to an end, one way or another. I will now open it up to members and invite the Leas-Chathaoirleach, Deputy McAuliffe, to come in first.

Deputy Paul McAuliffe: I thank the clerk and the staff of the committee for putting together this interim report. It is worth noting that it is unusual for the committee to issue an interim report but it was said clearly at one of our hearings that this issue demanded that somebody cry stop. In issuing this interim report this is what the committee is doing.

A number of the observations are worth highlighting. A project that initially started out as a community gain project as part of an overall development has escalated, according to observation No. 6, to a project of nearly €70 million. This has resulted in a creeping obligation which has been governed by the OPW. This was done in the absence of any sponsoring Department or authority. It was done on behalf of the OPW itself. The recommendations lay squarely on the OPW the responsibility of resolving this, although we know it will require Government action for it to happen. Two of the observations refer to the substantial costs of €1.15 million in regard to arbitration and legal fees and a total cost of nearly €4 million in regard to money spent on a project that essentially does not exist.

I have to say I think the recommendations are very strong and the one that is most compelling is recommendation No. 3, which recommends that the OPW engages directly as a matter of priority with representatives from the national children's science museum to find a way either to end the project or minimise the costs to the State. There is also our call to the national children's science museum, notwithstanding whatever legal rights it has, to give consideration to the wider public interest in the pursuit of its mission. I thank the clerk and all of the staff for putting the report together and I know we will continue our work on this issue.

Deputy Cathy Bennett: I thank everybody for compiling the report and for their hard work on it. There are good recommendations in it. I especially feel recommendation No. 1 is particularly important as it simply states that the committee feels the matter at hand requires consideration at the appropriate level across government. I feel the appropriate level across government would be that the Cabinet and Ministers take responsibility for it. A project that was originally estimated at €14.3 million has ballooned to €70 million. This has attracted attention but there are so many other projects like this for which the Government and Ministers need to take responsibility. As I have said at previous meetings, sometimes I feel the Government and the Ministers leave the responsibility at the door of State bodies, which is not good enough because we see this right across large agencies and bodies in health and justice. Millions and even billions are spent.

The Committee on Public Accounts is crying out for value for the taxpayers' money. The Ministers and the Government cannot wash their hands of this. Somebody needs to take

responsibility. We have seen it before with the Arts Council's IT project. It which cried out for help and did not get it, and we were left with a huge loss to the State. The situation needs to be taken in hand and the recommendations need to be considered. They also need to be acted on as there is no point in producing reports if no action comes out of them. Recommendation No. 4 states it is in the public interest, notwithstanding legal action, that some action has to be taken on this.

Recommendation No. 6 states that within three months from the publication of the report we would see some progress from the OPW and the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. I ask that the Cabinet gets involved in the project. We want to see action. There is no point coming in here and producing reports unless the recommendations are acted on. I would like to see in three months' time that there is action and that it is decided where the project goes, whether it is shut down, and the Government makes a decision on this, or that something happens, but something needs to be done.

Deputy James Geoghegan: I acknowledge all of the work that all members of the committee, the clerks and all of the staff have put into producing this interim report with recommendations. One of the most important recommendations is that we want a timely response within the next three months. Long-time observers of this issue may think this is, to some extent, some sort of unique and bizarre story of history that has been running out through a series of Committees of Public Accounts, potentially three or four of them. When they hear the public utterances of the chair of the OPW before this committee, they might be incredibly confused to learn that as of 6 July, according to the correspondence it has provided to us the OPW has contracted and is consulting to get the tender documents prepared to proceed to deliver the project under the terms it is bound to do as per a legal agreement.

That has been our greatest source of frustration. I do not want to speak for the committee but I think it is a shared view when we hear from the chairman of the OPW that this is not a problem of his making but one that has landed on his desk. When he comes before this committee, he talks in terms of there being no funding, no sponsoring Department, that the OPW will correspond with this person and contact that person. I feel that, in public statements at this committee, we have been fobbed off quite regularly on this issue because in the public utterances it sounds like this project is going nowhere, that the chairman does not know what to do, nobody is helping him out and there is no funding, but privately there is a process that is proceeding and under way. There are no delays to it. There is the quarterly report. We threatened the OPW with compellability powers and it provided us with the document. It has made clear it has got Arup consulting, that tender documents are going to be ready and a building information management system is being put together, yet in public utterances we are being told this project is not proceeding, that the chairman does not know what to do and it is either build or breach.

If ever we were at the end of the road for making a decision it is now. We are at the end of the road, so somebody has to tell the public, and the chairman of the OPW as the Accounting Officer for this line budget, what is happening with the taxpayers' money that is owed pursuant to this agreement and the taxpayers' money that could be owed if the OPW does not fulfil this agreement. Then we can enter a space of trying to unwind this charity which, let us be frank, has laudable goals, is not a profit-making entity and wants to do good for children and science.

We need to appeal to that better sense of the charity's mission as we get to the final stage of this process so we do not remain in the situation we have been in for the last 20 years where the north wing of Earlsfort Terrace is empty and the taxpayer is being sucked dry because of a legal error that is inexplicable, disgraceful and for which no one was held to account. We have to get to a moment where the OPW tells us what it is going to do and then we can try to appeal to the charity's sense of mission and see if there is somewhere between what the charity is looking for and the taxpayer's legal obligation to spend money. It is about how we can get to that sweet spot. It is something this committee has been so exercised on for a very long time, including in previous Dáileanna. The report we publish today with the recommendations is reflective of the work that has been done on this committee.

Deputy Aidan Farrelly: I echo the thanks to the secretariat staff for their really important work in compiling this report but also to the many witnesses who attended and provided important information, documents and correspondence at various stages that helped us to come to an even more detailed understanding of this.

Without repeating and trying to add to the conversation this morning, all I will say is successive public accounts committees have spent way too much time on this issue. I hope this report brings us very much closer to a final solution with regard to this project. I highlight one piece from the senior counsel who said this project did not need to adhere to the public spending code simply because a cost-benefit analysis, a business case, was never part of the initial agreement. That is unfathomable. It makes no sense that would not have formed part of the discussions or negotiations and now we are left where we are. We need to hear from the OPW, the Ministers and the Executive of this State about the future of this project. It is one of those old situations where every stakeholder needs to get in a room and not leave until there is a solution everybody is okay with. That is what we have been calling for for many months at this committee - to bring everybody to one place. This report will do a lot of that work for us now. Again, my sincere thanks to everybody involved in collating it.

Deputy Séamus McGrath: I thank all the members and the officials for their work on the report. The report is a summary of a catalogue of failures going back to 2003. It is a shocking example of ongoing mismanagement of a key project, a gross lack of project oversight and, of course, critically, a lack of accountability. That goes back to the very first day when the clause the Chief State Solicitor's Office recommended be inserted - a get-out-of-jail clause, effectively, if the Heuston Gate project did not go ahead - was not inserted into the agreement. Where is the accountability for that decision at that time? It is a complete lack of accountability. There are many chapters to this story but, unfortunately, in 2026, despite our best efforts as a committee, we still do not know what the final chapter will be of this project. We have a situation where the OPW is on the hook to provide a shell and a core of a building and it has no budget to do so even though it is proceeding in that direction. It is quite absurd and incomprehensible but that is where we find ourselves. Recommendation No. 1 is the critical one in terms of an all-of-government approach. This is an acute example of a silo culture within the public service - that it is not my problem but somebody else's - and that is where the core failures occurred here. We need an all-of-government approach at the most senior levels to bring this to a head and to ensure the right course of action is taken at this very late stage.

Deputy Martin Daly: I welcome the report. It is incomprehensible that, in 2003, no conditional clause was included. I am not going to labour that because it has already been

talked about. Looking at recommendation No. 4, in what interest is the centre going to proceed against the public interest and what does it hope to gain from it? Engagement is required at the highest level to try to resolve this issue in the public interest and in the taxpayers' interest. Even going forward, we noted in the report that "projected operating costs and any future requirement for Exchequer support have yet to be established". Thus, not only is the €70 million part of it, it would be future operating costs and the business case has never been made for it. I welcome the report and the work that has been done by the committee prior to my joining this morning, but recommendation No. 4 is where we are at. If you go purely on a legal basis, we are on the hook as a State, but these cannot be faceless people serving on this. It is not in the public interest to proceed, and who is going to run this museum, even if they are provided with the shell and core?

An Cathaoirleach: The report is being laid before the Houses and is now available on the committee's website. A copy of the report is also being issued to the Minister for public expenditure and the chairperson of the OPW. While recommendation No. 6 asks that we get a progress update within three months of this interim report being laid, and the issuing of an interim report is an unprecedented move, I would hope we get a progress update in September for our next meeting after the summer recess given the serious concerns this committee has and our predecessors had. I thank the secretariat staff for all their work in compiling the report. I also thank the Comptroller and Auditor General's office, which also did extensive work to bring attention to and outline a lot of concerns on the issue.

Are there any other items members wish to raise under any other business? There are not. That concludes session 2.

Sitting suspended at 10.49 a.m. and resumed at 10.54 a.m.

Financial Statements 2024: National Transport Authority (Resumed)

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

An Cathaoirleach: This morning, we engage with the National Transport Authority, NTA, and Iarnród Éireann to resume discussion on the National Transport Authority's 2024 financial statements. On behalf of the committee I would like welcome officials from the NTA: Ms Anne Shaw, chief executive officer, and Mr. Hugh Creegan, deputy chief executive officer and director of transport, planning and investment. From Iarnród Éireann, we are joined by Ms Mary Considine, chief executive officer, and Mr. Paul Hendrick, director of capital investments. We are also joined by Mr. Tomás Campbell, principal officer at the heavy rail investments division of the Department of Transport, who is attending in a representative capacity. Finally, we are joined by officials from the Office of the Comptroller and Auditor General, including Ms Colette Drinan, secretary and director of audit, on behalf of the C and AG, who is a permanent witness to the committee, and Ms. Georgina O'Mahony, deputy director of audit. The witnesses are all very welcome.

Before we begin, I wish to explain some limitations to parliamentary privilege and the practice of the Houses as regards references you may make to other persons in your evidence. The evidence of witnesses physically present or who give evidence from within the parliamentary precincts is protected pursuant to both the Constitution and statute by absolute privilege. This means that you have an absolute defence against any defamation action for

anything you say at the meeting. However, you are expected not to abuse this privilege and it is my duty as Cathaoirleach to ensure that this privilege is not abused. Therefore, if your statements are potentially defamatory in relation to an identifiable person or entity, you will be directed to discontinue your remarks. It is imperative that you comply with any such direction. Witnesses are also reminded of the long-standing parliamentary practice that they should not criticise or make charges against any person or entity, by name or in such a way as to make him, her or it identifiable, or otherwise engage in speech that might be regarded as damaging to the good name of the person or entity.

I now invite Ms Drinan to deliver her opening statement on behalf of the Office of the Comptroller and Auditor General.

Ms Colette Drinan: The National Transport Authority's financial statements for 2024 were previously examined at a meeting of the Committee of Public Accounts on 15 January 2026. At that meeting, the Comptroller and Auditor General outlined the main features of the authority's financial situation. He also summarised the evolution of the national train control centre project up to mid-2025, drawing attention to the ongoing delays in relation to development of the train management system and the anticipated cost overrun associated with the project, projected then to be in the order of 28%.

Further review of the train control project was undertaken in the context of the audit of the authority's financial statements for 2025. The Comptroller and Auditor General certified the 2025 financial statements on 17 June 2026. Once the financial statements are received by the Department of Transport, the Minister has statutory responsibility for their presentation to the Oireachtas.

An Cathaoirleach: I now call invite the chief executive officer to deliver the opening statement on behalf of the NTA. Ms Shaw, as set out in the letter of invitation, you have five minutes to make your opening statement.

Ms Anne Shaw: I thank the committee for the invitation to appear before it today to continue its consideration of the National Transport Authority's 2024 financial statements. This is with particular focus on the national train control centre project and the associated traffic management system contract. I am joined by Mr. Hugh Creegan, deputy chief executive and director of transport planning at the NTA, and I also welcome representatives of Iarnród Éireann, the delivery agency for the national train control centre. Together, we will seek to address the committee's questions fully and transparently, where possible, recognising that some issues remain commercially and legally sensitive. We have provided a detailed briefing document and other information as part of our submission last Friday.

It is worth clarifying the NTA's responsibilities in relation to major transport investment projects. The NTA is the statutory body responsible for the planning, provision and funding of public transport and active travel infrastructure. We also act as the approving authority for major public transport investment programmes, including BusConnects, DART+, MetroLink and the national train control centre programme.

The Government's infrastructure guidelines clearly distinguish between the roles of the sponsoring agency and the approving authority. Under these arrangements, the sponsoring agency is responsible for the planning, procurement, contract management and delivery of a project, including the achievement of its approved scope, budget, programme and intended

benefits. The approving authority is responsible for funding the project, approving key decisions at defined stages of delivery and overseeing implementation through appropriate reporting and assurance arrangements.

In its role as approving authority, the NTA provides oversight of delivery of the capital programme by the various sponsoring agencies, and reports progress to the Department of Transport through the major projects governance oversight group. We work closely with project delivery bodies to address risks, assess proposed changes and consider any implications for budgets, delivery schedules and the wider investment portfolio.

Many major transport investments continue to progress successfully, including BusConnects which continues to advance, with all 12 core bus corridors having received planning permission and construction under way on two schemes, plus the procurement of a third corridor to commence shortly. The DART+ programme also continues to advance with confirmed railway orders and construction procurement under way. MetroLink has also received planning consent and is now moving into its procurement and construction stage. Active travel investment is also delivering a large number of benefits.

The NTA is also investing in new bus depots to support service expansion, with the Jamestown depot now operational, planning consent secured for a new bus depot in Blanchardstown, a new Go-Ahead Ireland depot opening shortly in Northwest Business Park in Dublin, and the Tivoli depot in Cork due to open in quarter 3 of 2026. In the case of the National Train Control Centre programme, the NTA is the approving authority and Iarnród Éireann is the sponsoring agency. Accordingly, while the NTA is responsible for funding, oversight and approval at key decision points, responsibility for the delivery and procurement of the contract is with Iarnród Éireann. The committee is rightly concerned about the write-down reported by Iarnród Éireann and the delays affecting the traffic management system project. Let me be clear that the NTA takes these issues extremely seriously. Protecting public funds and ensuring value for money are central to our assessment of all requests and recommendations from sponsoring agencies.

Over the lifetime of the project, Iarnród Éireann, with the support of the NTA, has sought to address delivery challenges through revised programmes and alternative implementation strategies. While an alternative delivery model remained an option, no formal recommendation seeking such a change was made by the Iarnród Éireann board to the NTA until recently. Instead, Iarnród Éireann and the NTA engaged extensively with Indra to help to develop and implement revised delivery strategies to progress the project. These approaches were informed by commitments and actions by Indra to address issues on the project, recognising the risks inherent in all approaches. At the centre of these efforts was the objective of ensuring the successful delivery of a traffic management system capable of supporting both current operations and future network expansion.

Following its internal governance processes, Iarnród Éireann formally informed the NTA on 29 June of the decision by its board regarding the existing role of Indra and the proposed way forward. The NTA requested additional information on 30 June to support consideration of that decision by the NTA, including its board and capital programme committee. The NTA received this extensive supporting information, including project risks, privileged legal advice, potential liabilities, future delivery options and implications for the wider programme. As approving authority, the NTA considered the implications of Iarnród Éireann's decision for the

overall project, as well as the wider capital programme. The evidence indicates that the supplier is unlikely to deliver the required system in full specification within any reasonable timeframe and an alternative delivery approach is needed. Given these ongoing costs, the matter was considered as a priority through the NTA's governance processes, and the NTA board has now accepted Iarnród Éireann's decision regarding the role of Indra going forward. This was communicated to Iarnród Éireann on 13 July.

Both organisations, together with the Department of Transport, will continue to assess the implications of this decision, including additional funding requirements for delivering the traffic management system within the overall rail investment budget envelope to achieve the best possible outcome. Separately, the NTA has commissioned an independent review of the project, which is due to report in September. The review will examine governance, delivery and project oversight arrangements within both Iarnród Éireann and the NTA, and identify lessons to strengthen the delivery of future major infrastructure projects and, in particular, technology projects. Committee members may also be aware of the next generation ticketing project, which is being delivered directly by the NTA with Indra as the supplier. I can confirm that this integrated ticketing project remains on budget and on schedule. The contracting mechanism is different from that of the NTCC contract, with payment due only to successful delivery of each of the 34 key milestones.

We understand the committee is also interested in progress in delivering bus fleet electrification and, in particular, the cost of buses in storage pending absorption into the fleet. This information is detailed in a note provided to the committee. While there have been delays in delivering charging infrastructure, accounting for these buses needing to be in storage, the costs incurred are offset by the avoidance of inflationary increases that would have arisen on later purchase of those buses. In the meantime, the buses are stored and maintained by the manufacturer to ensure they remain in optimal condition and are expected to be fully absorbed into both Dublin Bus and Bus Éireann fleets by quarter 1 of 2027. I welcome the opportunity to assist the committee today and to outline the actions being taken to protect public funds and secure the best outcome for the public.

An Cathaoirleach: I thank Ms Shaw. I will now ask Ms Considine to deliver the opening statement on behalf of Iarnród Éireann.

Ms Mary Considine: I thank the Cathaoirleach and committee members for the invitation to discuss matters relating to the National Train Control Centre, NTCC, project with the committee. Iarnród Éireann is at a time of record demand and record investment. The portfolio of projects that we are overseeing is progressing well in the main. However, the serious problems encountered with the traffic management system, TMS, contract with Indra are of deep concern to us as a management team and to our board. The project has reached a point where Iarnród Éireann has no certainty as to when the contractor will fulfil its contractual obligations, and no confidence in its ability to do so, despite the extensive and continuing efforts of Iarnród Éireann and the National Transport Authority as the approving agency.

I have detailed what the NTCC is and the progress with the other elements of that, which are all on time and on schedule. However, the delivery of the TMS, originally due to be completed in June 2024, is yet to be completed by Indra. The joint Iarnród Éireann-NTA appendix, which I have attached to this statement, details the extensive procurement process supported and advised by external subject matter specialists. Additionally, the NTA would

have commissioned specialists to undertake an independent technical review of the TMS scope of services prior to providing approval to release the tender documents to the market. Ultimately, from seven pre-qualified suppliers, two bids were received in early 2019. Each bidder was required to submit a compliance matrix to demonstrate that their proposed product solution would meet a minimum of 70% of the system requirements without the need for further software development.

Indra's compliance document was assessed by our specialist consultants, which determined it would meet 96% of the contract requirements. This, together with its systems integration plan and references by it to a 15-year history of 21 successful deployments in multiple national railways, led us to believe that Indra had a mature developed product ready for deployment into Ireland with minimal additional software development required. Iarnród Éireann also engaged Turas to provide project management support services, and Ricardo Rail to provide system integration and safety assurance services to support the delivery of the contract.

Post contract award, and early in the preliminary design phase, Indra advised that its deployed TMS product would no longer be supportable over the life of the maintenance contract, and it would be upgraded to a newer version in 2021. It reassured Iarnród Éireann that the software would be developed in a manner that would support future safety certifications and that its "generic product", as it called it, would be delivered in 2021 prior to the commencement of the Irish TMS software development process. It should be noted that, as of today, to the best of our knowledge software supported by this generic product has yet to be deployed in any railway.

The timeline provided outlines how the issues impacting the TMS programme unfolded. Management ensured that our board and the NTA, as approving authority, and the Department of Transport through the major projects governance oversight group, MPGOG, were advised, and in the case of commercial resettlements that both our board and NTA approval were received. While the timeline is comprehensive, I would highlight two specific milestones. First, when the re-baselined programme requested by us in the end of 2023 and accepted in early 2024 was sliding significantly off-track by mid-2024, Iarnród Éireann advised the NTA of an increasing lack of confidence in Indra's ability to deliver the project. Indra agreed to the request of NTA and Iarnród Éireann to take steps to restore confidence, and an alternative delivery strategy was developed comprising the delivery of a minimum viable product initially, with full functionality to be delivered over eight phases. Second, by mid-2025, testing identified a number of systemic issues, and Indra's own independent safety assessor also confirmed that the software was not ready to be deployed into service.

We discussed a continuing lack of confidence in Indra with the NTA in mid-2025. The NTA, from that point, took a significantly more active role in project oversight and contract management, holding fortnightly meetings with Indra and Iarnród Éireann.

Notwithstanding that, Indra's project delivery model was restricted to the commissioning of the Rosslare line, which the committee will see referred to as CP1. It is a relatively simple section of the network with minimal functionality representing approximately 3% of the project scope. A further 16-month delay in the CP1 commissioning milestone had been indicated by the end of 2025 and ultimately, in April 2026, Indra formally released its redeveloped CP1 software product to us for testing. It was immediately apparent, through our railway signalling principles testing, that many of the systemic issues that existed in 2025 remained and, in this

context, our board took the decision to impair the carrying value of the asset in the financial statements for the year ending 31 December 2025, with the accounts submitted to the Department of Transport prior to publication.

Upon completion of the comprehensive testing process, it was concluded that the software was demonstrably not suitable for training or commissioning. Regrettably, therefore, six years on and two years after the original commissioning date, Indra still does not have a developed product fit for safe deployment on our rail network. On 22 June the Iarnród Éireann board reached decisions regarding the existing Indra contracts and the proposed way forward to deliver a necessary replacement of the existing signalling control system and we formally sought the approval of the NTA to implement those board decisions.

The committee will appreciate that, with the acceptance by the NTA of the decision relating to Indra, and as a result of sensitive commercial and legal considerations at this point, we may be unable to give absolute clarity on aspects of the decision at this time. I sincerely apologise to the committee for this in advance but I assure it that we are seeking to act in a way that can deliver the TMS component of this project in a manner that supports our wider investment programme, protects today's railway and minimises any future exposure of the taxpayer.

I am joined today by my colleague, Mr. Paul Hendrick, director of capital investment and we welcome questions from the committee.

An Cathaoirleach: Please note that we will suspend the meeting at approximately 12.30 p.m. for a short 15 minute break and resume shortly thereafter.

I open the floor to members. The lead speaker today is Deputy Paul Murphy, who has 15 minutes. All other members have ten minutes. If time permits, we will allow members in for a second round of shorter slots.

Deputy Paul Murphy: I thank the witnesses for coming before us and for the extensive briefing documents. One of the things that struck me was the diagram of a long saga, which has resulted in approximately €50 million of public money being effectively flushed down the drain and us still not being very far along on what we clearly desperately need in a new traffic management system.

My starting question is: who is responsible for this disaster? Where does responsibility lie?

Ms Anne Shaw: I will answer first. We have already clarified, in terms of the infrastructure guidelines, what the roles of each of the organisations are but both organisations continue to work together and collaborate for the successful delivery, in the same way as we work with all our sponsoring agencies on all our projects. The delivery of the project and contract that is in place sits with Irish Rail. That does not mean the NTA does not continue to support that work and provide oversight and advice as part of that. I do not know whether Ms Considine wants to add anything.

Ms Mary Considine: I thank Deputy Murphy. I can hear his frustration about where we are. There is deep regret right across Iarnród Éireann that we are in this position. However, as I outlined in my opening statement and as we detailed in the joint appendix, every opportunity has been given to the contractor to deliver. There has been significant support, including third party specialist support, to help it and we find ourselves in a very difficult position. The reality is that we now need to move at the earliest opportunity to make decisions that will allow us to

put in place a traffic control system and minimise any further exposure of the Exchequer. We have a significant role to play in providing public transport and ensuring we have a reliable service and we want to future-proof the expansion of the railway. That is ultimately what we want to do in the most cost effective manner.

Deputy Paul Murphy: Sure. Effectively what the witnesses are saying is that Indra is responsible. Fine. I agree from what I have read that Indra screwed over Irish Rail, the NTA and the public but the question is why we signed such a contract that has allowed it to do so.

Let us go back to the start. There were two bidders for the contract, which seems like a small number. Who made the decision that Indra would get the contract?

Ms Mary Considine: There was an extensive procurement process, including market research, market consultation and engagement. Ultimately, seven bidders pre-qualified and two were appointed. They went through a technical review by the team and then Iarnród Éireann, in the determining of that, hired specialists, Ricardo rail, to advise it on the appointment. Separately, I understand, while I do not speak for the NTA, that the NTA hired Jacobs to review the tender. All of that was done.

Deputy Paul Murphy: Did the private company Ricardo make the decision?

Ms Mary Considine: No, it advised Iarnród Éireann.

Deputy Paul Murphy: Who made the decision?

Ms Mary Considine: Ultimately, it was Iarnród Éireann, based on a 242 page compliance document that Indra supplied, which showed it met 96% of the compliance criteria.

Deputy Paul Murphy: The board of Iarnród Éireann ultimately made the decision.

Ms Mary Considine: Yes, subject to the funding of the approving authority.

Deputy Paul Murphy: Was there appropriate technical expertise on the board to make that decision, including digital and IT expertise, to be able to make the decision that this was the correct bidder or was the board just led by what Ricardo said?

Ms Mary Considine: I believe there was appropriate experience on the board. I was not there at the time. I do not know whether my colleague can interject but we do rely on technical expertise for advice.

Mr. Paul Hendrick: I was not in the business at the time either but all the projects in this scenario go through a standard process. They go through a standard procurement evaluation and follow set criteria for the project team and any outside technical advisers the team has on the project. That leads to a recommendation based on a scoring system for that bid and the recommendation goes to the Irish Rail board for a decision.

The membership of the board changes from time to time based on tenure but there are typically one or two non-executive board directors who have technical backgrounds and then there are other business specialists. We would have to go back to check who was on the board at the time but we follow a set process.

Deputy Paul Murphy: When one reads through it, what seems to be a key factor is that, effectively, part of the contract says that the proposed product solution is to have a minimum

of 70% of system requirements without the need for further software. That is part of the compliance matrix. Indra said not to worry about that, that it would do 96%. There would be 4% new but that it had this great thing, DaVinci 2.0, which is working elsewhere and that it could be used. Indra got the contract on that basis and then a few months later it said it turned out that they are not going to continue to support that product - it is Indra's product but it was not going to be able to continue to support it, which does not seem to make any sense; it seems to be a choice about obsolescence made by Indra - and that a new version, DaVinci 3.0, would be needed. Then, according to the project statement:

The project team, supported by expert consultant review from Turas and Ricardo Rail, [which designed the tender process in the first place] determined that Indra's approach remained compliant with the TMS contract.

This seems to be at the heart of the problem. The tendering process was based on contractors having to have software already in place. Indra won the contract on the basis of having said it did and then after getting the contract, it said it would have to develop new software, yet that was found not to be a breach of the contract. Is that the core of the problem?

Ms Mary Considine: I might refer - and then I will hand over to Mr. Hendrick for more detail - to 1.18 in our appendix document. As part of its bid, Indra outlined the technological evolution of its DaVinci 1.0 to DaVinci 2.0, that is how it evolved over the lifetime of the product. Therefore, that, with the advice our team sought from external experts, all led them to believe that Indra was still compliant with the contract. Specific advice was sought at the time from Ricardo and Turas to make sure Indra was still compliant with the original contract and that was the advice given to Iarnród Éireann.

Deputy Paul Murphy: Does that suggest there was a problem with the contract? Indra won the contract by saying it had the software and then said it would need new software and that would take a bunch of time. Iarnród Éireann still does not have it. This new software does not exist anywhere in the world according to the documents. Does that not indicate there was a problem with the contract?

Ms Mary Considine: Quite a number of assurances were given at the time that the company's generic product had already been in development since 2018. Safety assurance would have been got on that, and that feedback would have been given back.

Deputy Paul Murphy: Forget about those assurances. They are clearly worthless now so, in hindsight, was there a problem with the contract? Should we not have signed it, if it allowed the company to win it on one basis and then to say that it needed new software?

Ms Mary Considine: In reality, Indra is a multibillion-dollar company that provides systems all over the world. It pointed to its 15-year history of 21 successful redeployments all over the rail network globally. I was not there at the time but I spoke at length to our team, and there was no reason to believe that in the context of the bid put forward, which had gone through all the technical scrutiny and was passed by not only Irish Rail but also the specialists advising us, Indra was not developing its generic product, as it led us to believe, and that it was evolving situation.

Deputy Paul Murphy: Surely we should have had a contract that would not have left Irish Rail having to rely on Indra's good faith and on whether it believed things or not. We should

surely have had a contract that said the company had to have the software already and could not be developing new software. Is that not a fundamental flaw here, that happened right at the start of the development of the contract? Ms Considine does not agree.

Ms Mary Considine: The advice to the company at the time did not agree with that.

Deputy Paul Murphy: Was that the advice to Irish Rail from Ricardo?

Ms Mary Considine: The advice provided to Irish Rail did not support terminating the contract.

Deputy Paul Murphy: Yes, but again, does this not go back to the point that this suggests there was a problem with the original contract? If the contract allowed Indra to win this competition on the basis that it had the software, and then the company was able to say it did not have the software, either it was in breach of the contract or there was a problem with the contract.

Mr. Paul Hendrick: We follow an open tender process, in the Official Journal of the European Union, OJEU, and have a competition open to the EU market to respond. There are a set of requirements in the contract that allows the open market to respond in the pre-qualification and bid stages. In the contract, Indra was, effectively, the designer hired. It was a design-and-build contract, so Indra was hired to deploy what is its system but to meet the client's requirements. In picking that process, we cannot overprescribe the solution we want. We have to have a set of output requirements in the contract to make it a compliant EU procurement process.

It was a surprise to the team when Indra moved from DaVinci 2.0 to DaVinci 3.0. That was not expected. I fully agree that was not expected to happen. In the discussions around it, it was seen as a normal product development process for these products, because there was previously a DaVinci 1.0. It was rolled out as part of a number of applications. Indra then moved to DaVinci 2.0, which it had been running for about ten years, and it was moving to the next version of it. The company was adamant that the next version was, effectively, going to continue to give the underlying 96% compliance and that it was going to be a better product than the previous one and the one it was going to support.

The experience we have had since that clearly shows that something has gone wrong between Indra moving from DaVinci 2.0 to DaVinci 3.0, which is where we are now, because if we got DaVinci 2.0 that other jurisdictions have, we should not be in the position we are in now. That is fully acknowledged.

Deputy Paul Murphy: Yes. In terms of lessons being learned, if we are just going to repeat the process of having these kinds of vague contracts that can be changed by companies that are just interested in maximising their own profit, we are going to repeat this experience again. Are there no lessons to be learned in terms of the type of contract signed?

Mr. Paul Hendrick: There absolutely are lessons to be learned and there is-----

Deputy Paul Murphy: Are there lessons about the contract?

Mr. Paul Hendrick: I do not see anything materially wrong with the contract itself. Going forward, I think we need to consider the process. The textbook would always say that you would do an open tendering process for major engineering and construction projects and go

out and seek tenders from the open market. Those who can comply with the client requirements that have been put together would then have the ability to get into the evaluation process. If they succeed in the evaluation process, they win and you appoint them. That would be standard.

However, that is not always the right way to deliver a major engineering and construction project. An open tender process can sometimes lead to the potential issues we have experienced. A direct award approach or a direct discussion with a particular supplier who has a specific product that meets the needs of the business could be used. That is usually seen, however, as not being the default way to run a public procurement process for a major engineering project. We can definitely take on board lessons around the process. I would say that the contract, and how it was structured, was not an unusual one. I do not think there are any major-----

Deputy Paul Murphy: Is Irish Rail going to attempt to get back any of the €31 million we have given to Indra? Is there any prospect of that happening?

Ms Mary Considine: I know I am repeating what I said in my opening statement, but we are at a sensitive stage and looking at all options under legal advice. We will, however, be looking at everything to minimise the exposure for the taxpayer.

Deputy Paul Murphy: Indra has another contract, an integrated ticketing contract with the NTA. In its opening statement, the NTA said that the contracting mechanism is different from that for the NTCC contract, with payment due only following the successful delivery of each of 34 key milestones. Does that mean that the payment for this contract was not contingent on the delivery of key milestones?

Mr. Paul Hendrick: The contract we have is called a new engineering contract, NEC, target cost contract, which is quite a common contract used on major engineering projects in Ireland, the UK and the rest of Europe. It is also used for other contracts in the public transport sphere, including other schemes the NTA would oversee. The nature of this contract is such that it effectively shares any pain and gain up to a point. In other words, if a project is finished below the target price, the gain is shared between the contractor and the client, and if the project overruns against the target price, there is pain sharing, up to a cap, after which the supplier takes all the pain. It is also a contract that gives full visibility to the client team in terms of the actual resources and costs being incurred on the project. Effectively, interim progress payments are paid against those fully transparent costs.

We did, through commercial reset number two, as the Deputy might have seen in the statement, at the end of 2024, introduce additional performance milestones given our concerns. We actually had a bit of a hybrid contract at the end, where we had a combination of approaches. We did have a milestone approach in the end but, unfortunately, that milestone approach has not succeeded, obviously, in terms of how it turned out.

Deputy Paul Murphy: When we look at this, the number of private companies involved in it is quite something. A private company, Ricardo, is designing the contract. There is Turas, Indra obviously, and then this engineering company is brought in to look at it. Will Mr. Hendrick list all the private companies involved in this contract in one way or another?

Mr. Paul Hendrick: It is worth saying that in the context of the major projects we deliver, we have inside Iarnród Éireann a train operations business, which is pretty much a directly employed staff model, an infrastructure engineering business that manages the steady-state infrastructure and a mechanical rolling stock business that manages all the train fleets in terms of maintenance. Those are predominantly directly employed models where there are Irish Rail payroll staff. For major projects, though, and we must consider the cyclical nature of these, we did have a capital investments unit back in the 2000s. When the recession hit, that unit was closed. No capital was available.

We re-established the capital investments unit as a business in late 2018 as we were coming out of the austerity era. We have 200 staff on our books who work in that business, dedicated to developing and delivering major capital infrastructure projects. When the projects go to the delivery phase, we are much more market-facing, so we are reliant on the support of the supply chain in terms of the major contractors and professional advisers. We do not have the funding to be able to guarantee directly employing that level of staff because we are only funded on an annual basis. Each year, our funding could drop. We cannot guarantee that we will have any work for them.

Deputy Paul Murphy: Is this not the consequence of the hollowed-out neoliberal state, where everything is outsourced? Irish Rail is relying on one company to develop a contract and another company to fulfil it. The end result is that the public pays the price. Would it not be better value for money if Irish Rail actually had the appropriate staff to be able to do some of this management and so on?

Mr. Paul Hendrick: It is a balancing act. We have to try to strike a balance. This is a particularly niche project for the railway. It is a very complex project. The type of skill sets and people we need are not commonly available. Therefore, this type of project results in having to lean in more towards bringing in specialists temporarily because we could not guarantee that level of work for a niche, specialist project.

Deputy Paul Murphy: I thank Mr. Hendrick.

Deputy Joanna Byrne: I thank all the witnesses for joining us. I will stay with the procurement process for the moment. We have established that the board of Iarnród Éireann was responsible for awarding the contract after the procurement process. On the issue of due diligence, Iarnród Éireann's statement highlighted that Indra's system integration plan referenced a 15-year history of 21 successful deployments, which is understandable.

Iarnród Éireann sought specialist advice from Ricardo Rail before proceeding to contract stage. Am I right on that? Did Ricardo Rail do due diligence with regard to the delivery of projects that Indra claimed to have completed in other countries? Did Iarnród Éireann do that? Who was responsible for due diligence and for the reassurances that Indra was capable of doing what it had tendered for?

Mr. Paul Hendrick: The team that worked on the project right through from development to delivery was a hybrid team. There was Irish Rail staff on the team, supported or augmented by the specialist providers with expertise from Ricardo Rail. As part of the procurement process starting in 2015, they went through a market research stage to understand what suppliers were out there and what type of products and technologies were available on the market before putting the requirements together. That also involved an interested candidate

who could potentially deliver the work coming to meet Irish Rail before the formal procurement process started, where it could engage in one-on-one discussions to understand what was possible. The market consultation was done once the process was started to look at the requirements and how we had set up the contract in order to make sure we got the right structure for delivering the project.

Deputy Joanna Byrne: There is a 15-year documented history that led to Indra winning the tender. It was awarded the contract in 2020. Shortly afterwards, in 2021, concerns were raised and difficulties arose with regard to commitments it was not able to fulfil in Lithuania. That is a short period, despite its supposedly long-standing history of being able to deliver. That is what I am trying to get at. Was the due diligence sufficient or were there downfalls in that regard? If there were, whose feet did they fall at?

Mr. Paul Hendrick: Ultimately, Iarnród Éireann is responsible for the procurement, management and delivery of the project, irrespective of the support we have from the supply chain.

Deputy Joanna Byrne: Coming back to 2021, concerns were noticed at that stage. Iarnród Éireann was reassured in 2021 that the generic product would still be delivered, and it was not. Why did it take Iarnród Éireann until 2025 to raise concerns with the NTA and say it did not have confidence in the project being delivered?

Mr. Paul Hendrick: If we go through the whole project, there was regular interaction between Iarnród Éireann and NTA all the way through. There were monthly interactions. There were progress challenges on the project in 2022 and we put together the first commercial reset of the contract. That was done in conjunction with the NTA. As it is the approving authority, we do not make any of those arrangements without its approval. It has the right to reject any proposals and to support us if it thinks the proposal makes sense. We engaged with the NTA throughout the contract. On commercial reset number 1, where we extended the completion timeline by five months, we did it with the support of the NTA.

When we went through the delivery phase during 2023, the hardware was installed in the NTCC building, which was a positive progress milestone for Indra. It eventually completed the generic product, which its project was reliant on, in late 2023. That was another positive progress sign. However, the detailed software development, which only became visible to the project team in early 2024, is where we heard serious alarm bells as a project team. At that point, we escalated those concerns to the NTA to flag that we had done reset number 1, were four years into the project and had serious concerns about whether Indra would be able to successfully complete the project. We started that discussion in summer 2024, and then again in 2025.

Deputy Joanna Byrne: On a separate point, Spain's supreme court in May of this year upheld a €13.5 million fine against Indra for participating in a price-fixing and market-sharing cartel. This dates from an original judgment in 2023. Was Iarnród Éireann aware of that throughout 2023 to 2026?

Mr. Paul Hendrick: I am not sure.

Deputy Joanna Byrne: We are looking at a loss of tens of millions in Irish taxpayers' money to a company that engaged in cartel-like behaviour because of a decision made by Iarnród

Éireann and insufficient due diligence as to the company's capability to deliver a project. What does Mr. Hendrick say to the Irish people in that regard?

Mr. Paul Hendrick: I cannot comment on the particular case. I am genuinely not familiar with it or *au fait* with it. Indra is an organisation with a turnover of €5 billion-plus and it is successfully delivering projects across the globe in many sectors. We went through a clear, comprehensive procurement process, as we do on all our projects. Indra was the legitimate successful applicant. We deeply regret how this project has panned out with Indra. This was not what we expected. I have 25 years of major infrastructure project experience. This is unprecedented. Every project has problems and challenges - every single project I have worked on - but you work through it and overcome it, and deliver on time and in budget. Sometimes it goes slightly over, but you always get the project delivered eventually.

Looking back on the last 25 or 30 years, Irish Rail does a lot of major engineering construction-type contracts, given the nature of the railway. We cannot point to another example of this occurring in Iarnród Éireann. I cannot point to another example of this in my career dealing with major projects. That is not to excuse it, but it is really unprecedented. We are genuinely surprised given the capability of the organisation, delivering a project probably worth €5 million per annum to it when it is turning over €5 billion per annum and has tens of thousands of people working across the globe. We were sure this would not be a problem for it and that it would eventually overcome the issues that arose. That was our expectation. Was that reasonable based on the evidence at the time? We thought it was. Our experience has led us to a different position now.

Deputy Joanna Byrne: On a more positive and parochial note, and picking up on Mr. Hendrick's line about getting there eventually, I will move on to my home town of Drogheda. It is the largest town and next emerging city in Ireland. When the NTA was with us in January, I asked about the possibility of a north Drogheda train station. I understand it falls outside the greater Dublin area and was not an issue for the NTA, but it would be remiss of me not to use the opportunity of having Irish Rail here with us. Ms Considine has said she is open to the possibility of a train station on the north side of Drogheda. Is there any light at the end of the tunnel with regard to securing that? Louth County Council has just been awarded funding for phase 3 of the port access-northern cross route, which unlocks the land that was a barrier in moving towards that. What concerns me is that a developer is seeking planning permission, which has been refused in recent weeks by Louth County Council. It was deemed an incomplete application. He is seeking to develop on land that has been earmarked, going back 20 or 25 years, for a train station. It includes land owned by Irish Rail. Concern is growing among elected officials in Drogheda, past and present, and the people of Drogheda, who are seeing a huge population burst with all the development going on. Commuters in Drogheda are getting increasingly frustrated by the lack of parking and their inability to utilise facilities on the south side of town around MacBride railway station.

Ms Mary Considine: To start on a positive note, the first fleet order will be coming into service on the new DART+. We have the charging station in Drogheda, and the new Enterprise fleet to serve Drogheda is also on order. There are many positive things happening for commuters in the area. I hear the Deputy's concerns about infrastructure. I have had discussions with Louth County Council around the new north Drogheda station. We are hearing about parking and a study completed earlier this year points to that.

To the Deputy's question on the station and parking, both of those are subject to funding. There is a constrained pot of funding. One of the discussions I had with the CEO was about whether there were other ways, such as through development levies, of funding the station.

At the moment, we do not have the funding allocated for that. It is something that will be kept under continuous review by us and the NTA, as the funding authority.

Deputy Joanna Byrne: Is that the main barrier? I am sorry, Chair, I understand I am over time. Is that the main barrier at the moment? There is consensus and a will for a train station in the north of Drogheda. That is what I am picking up. Without committing the witnesses to anything, is funding the main barrier?

Ms Mary Considine: There are funding constraints. We will always look at what is possible.

Deputy Eoghan Kenny: It is good to see some of the witnesses again. I hope the feeling is mutual.

Ms Anne Shaw: Always.

Deputy Eoghan Kenny: I would say that is the case. This is a "Yes" or "No" question. Was this the first project in Ireland in which Indra was involved?

Mr. Hugh Creegan: No.

Deputy Eoghan Kenny: What were the other projects in which it was involved?

Mr. Hugh Creegan: It was involved with the Dublin Port tunnel when it was being built. Indra put in the control system for that tunnel. It has also been involved with some toll schemes around the country.

Deputy Eoghan Kenny: Have the projects in which it has been involved in Ireland always been successful and delivered on time and on budget?

Mr. Hugh Creegan: It is going back over 20 years. I have no knowledge that it has not, if I could answer in that way.

Deputy Eoghan Kenny: Is Indra the main contractor for the next generation ticketing? It is. How can the public have any faith that Indra is going to do this successfully? I know that the witnesses will point to 15 years of success and why Indra was appointed for this project in particular. I ask the witnesses to be brief. How can the public have any faith that Indra will successfully do next generation ticketing? That is not even getting into the issue of next generation ticketing itself. How can the public have any faith that it will be delivered on time and on budget with this private company?

Ms Anne Shaw: Currently, the next generation ticketing project is being delivered on time and on budget.

Deputy Eoghan Kenny: It is currently.

Ms Anne Shaw: Key milestones are being achieved.

Deputy Eoghan Kenny: That is not the case in Cork, but-----

Ms Anne Shaw: That gives us some confidence.

Deputy Eoghan Kenny: It is not being delivered in Cork right now.

Ms Anne Shaw: The scope of the project does not yet include Cork.

Deputy Eoghan Kenny: It definitely does not.

Ms Anne Shaw: Within the scope of the project that has been commissioned, Indra is delivering on time and on budget. It is fair to say that prior to engaging any contractor or vendor to deliver this system, there was quite an extensive piece of work undertaken by the NTA, again with external expertise to provide us with that. There was a pre-mortem, if you like, of all the things that needed to be covered off before we did the specification and went out to market, as well as all the market engagement. Again,-----

Deputy Eoghan Kenny: Ms Shaw has full confidence that Indra will deliver next generation ticketing across the country.

Ms Anne Shaw: Given the current performance, the positive collaboration between the teams and how it is being managed within the NTA and the governance and oversight that exists-----

Deputy Eoghan Kenny: Has this project given Ms Shaw, as the person in charge of the NTA, any questions as to whether Indra will definitely deliver? Can she see herself coming before the committee in a couple of years' time to speak about Indra not delivering next generation ticketing on time and on budget? I hope that will not be the case.

Ms Anne Shaw: I hope not, too. Having reviewed where we are within this particular project, I have confidence in my own team and their expertise and the relationship they have with Indra, and the way that the contract is being managed and set up. This is a very different kind of system to rail, which has more complex considerations. That is why they are different contracts.

Deputy Eoghan Kenny: I hope so, for the benefit of the public, who have suffered on a number of occasions. On Irish Rail, who is the one person who has accountability over this project? Is it one of the witnesses?

Ms Mary Considine: Ultimately, as an executive team, we have accountability. We report to a board of directors who ultimately make decisions.

Deputy Eoghan Kenny: How many are on the executive team?

Ms Mary Considine: Today, there are 11.

Deputy Eoghan Kenny: Are all 11 taking responsibility? Does one particular individual on the executive team that was over this project now take accountability for it?

Ms Mary Considine: There would have been a number of changes to the team since the project was initiated and-----

Deputy Eoghan Kenny: Is there someone on the executive team right now who was also on the executive team when it was initiated? How many?

Ms Mary Considine: Not from a capital investment perspective, no. There has been a change at director level.

Deputy Eoghan Kenny: Who took over the running of this project?

Ms Mary Considine: Mr. Hendrick's area would have taken over the running of the project.

Deputy Eoghan Kenny: How many people are working in Mr. Hendrick's area?

Mr. Paul Hendrick: We have 200 staff across the whole portfolio of projects, including DART+, the Cork area commuter rail programme, Ceannt Station and other projects. There is a project team from Irish Rail that was managing this particular project.

Deputy Eoghan Kenny: How many are on that team?

Mr. Paul Hendrick: There are probably five or six staff and they are supported by external-

Deputy Eoghan Kenny: What consequences have those staff members faced?

Mr. Paul Hendrick: They are still working through the project and managing the issues.

Deputy Eoghan Kenny: What consequences have they faced for the loss of €50 million? Is the answer "None"?

Mr. Paul Hendrick: I am meaning to go back through the process here.

Deputy Eoghan Kenny: I am asking a simple question. What consequences did those people face?

Mr. Paul Hendrick: For Indra's lack of a development of a product-----

Deputy Eoghan Kenny: For their accountability over this project and their lack of governance of the project.

Mr. Paul Hendrick: I do not think-----

Deputy Eoghan Kenny: For the loss of €50 million from the taxpayer. What consequences have those people faced? Have there been any consequences in terms of their job specification or pay, for example? I am not necessarily saying that money should be taken from them in any way, shape or form. What consequences have those people faced? The reason I ask is that if I were working in a private company, which those people are not, and lost €50 million, I would probably be sacked.

Ms Mary Considine: I will come in. Ultimately, if somebody was found to have done something wrong, we would be taking action. The reality is that our team have, through their best endeavours, done everything to support this project. They have leant in. They have tried to make up the gaps, but fundamentally, when you strip it all back, we have a contractor that has an underdeveloped project and it has not delivered for us.

Deputy Eoghan Kenny: Understandably-----

Ms Mary Considine: That is really disappointing.

Deputy Eoghan Kenny: Understandably, there are a lot of questions to be asked of the contractor. There were five or six individuals within Irish Rail who had accountability over this project. As well as the contractor, those individuals failed to deliver it. They ultimately lost €50 million of taxpayers' money and are now facing absolutely no consequences. They can walk away from this thinking that despite losing €50 million for the taxpayer, they do not

have to face any consequences. They have faced no consequences. I am not saying they will, but what if they go again and lose another €50 million for the taxpayer? They would again face no consequences. Do the witnesses take my point on board? Do they agree with my point that if I were working for a private company and lost €50 million, I could be sacked or demoted? Those are just two options. Do the witnesses accept that, "Yes" or "No"?

Ms Mary Considine: I-----

Deputy Eoghan Kenny: I am asking for a "Yes" or a "No".

Ms Mary Considine: I understand what the Deputy is saying. The project team worked on a project that delivered a building that was brought in on time and on budget, and all the other elements.

Deputy Eoghan Kenny: I am not necessarily saying that the project team did not work hard, but they failed.

Ms Mary Considine: I would-----

Deputy Eoghan Kenny: In terms of the €50 million, they failed. It is a "Yes" or "No" question. Does Ms Considine believe that if those five or six people were working for a private company they would have faced consequences?

Ms Mary Considine: If they had not done their jobs, had not reported and had not put the appropriate governance in place, there would have been consequences.

Deputy Eoghan Kenny: They obviously did not put the appropriate governance-----

Ms Mary Considine: They flagged and reported-----

Deputy Eoghan Kenny: They obviously did not put the appropriate governance in place because they lost €50 million for the taxpayer. They did not lose the money to themselves. They obviously could not care less. The taxpayer lost €50 million. What consequences did those people face? Does Ms Considine accept that those people who were over this project face absolutely no consequence now for losing €50 million? That is a "Yes" or "No" question.

Ms Mary Considine: I do not accept that they face no consequences. I think-----

Deputy Eoghan Kenny: So what consequences-----

Ms Mary Considine: -----they are very disappointed and-----

Deputy Eoghan Kenny: What consequences-----

Ms Mary Considine: -----regret the decision.

Deputy Eoghan Kenny: Ms Considine does not accept that they did not face any consequences. That is fine and good. What consequences did they face?

Ms Mary Considine: They are working hard to try to resolve this issue.

Deputy Eoghan Kenny: There is no disputing the fact that they are working hard. I am not saying they are not. They are probably five or six very competent individuals. I do not know them. What consequences do those people face right now? I will reiterate the point. If I were working in a private company and lost €50 million for the owner of that private company, I am

sure that I would be demoted, sacked, subject to a loss of pay or whatever else. What consequences do those people face? Is the answer "None"? Do they ultimately face no consequences?

Ms Mary Considine: Well----

Deputy Eoghan Kenny: They will not be demoted. They will not lose out on any pay. They will walk away at 5 p.m. or 6 p.m. I am not disputing that they work hard, but they ultimately face no consequences. We can see it from the Irish taxpayers' point of view. Ms Considine is an Irish taxpayer. All around this room are representatives of the Irish taxpayers. They are watching today and hearing that five or six individuals lost €50 million of their money and ultimately will face no consequences at all. They will not be demoted. They will not lose any pay. They obviously will not be sacked. They will ultimately face no consequences. What stops them and Irish Rail as a whole from doing something along these lines again in the future, with a lack of governance and accountability and whatever else, and facing no consequences again because they did not face any consequences for the loss of €50 million? There is nothing to stop that.

We have a systemic issue right across the State. I am not necessarily saying it is an issue that is limited to Irish Rail, but it also affects Irish Rail. A significant number of people across the State are working for the State and face absolutely zero consequences for the lack of delivery of projects or failure in respect of the spending of public money.

The witnesses spoke to Deputy Murphy in particular about lessons learned. Will the NTA and Irish Rail identify one decision that should have been taken six months before this was brought to the board's attention?

Ms Anne Shaw: We have an independent review that is ongoing and it will report in September. It will look at all of the governance and key decision points taken throughout, from the beginning of pre-procurement to where we find ourselves today.

Deputy Eoghan Kenny: It is *ad hoc* right now, knowing the project and the delivery of----

Ms Anne Shaw: Hindsight is something-----

Deputy Eoghan Kenny: Yes, hindsight. We have heard about hindsight loads of times.

Ms Anne Shaw: With the information available and the expertise provided to the NTA and Irish Rail in making the decisions that have been made in the past, those were felt to be the right decisions in order to successfully deliver the traffic management system as well as, as Ms Considine has said, to reduce the cost exposure to the public purse.

Deputy Eoghan Kenny: Very briefly, what is the relationship between the NTA and Irish Rail now? How good is it? Does the NTA ask Irish Rail what it is doing?

Ms Anne Shaw: We are both agencies of the State. We work collaboratively together on a large number of projects.

Deputy Eoghan Kenny: There must be some sort of anger among staff members of the NTA, saying Irish Rail messed this up.

Ms Anne Shaw: Where things go wrong, we need to support each other to make sure we can successfully conclude and put things right, and that is the relationship we have. We continue to work together to deliver all of the other projects we are involved in together and to make sure we still deliver a traffic management system for the railway network and do it positively with both teams.

Deputy Eoghan Kenny: As a Mallow man, I can say the Cork commuter rail line is going very well, so I thank the witnesses. Well done.

Deputy Grace Boland: As Mr. Hendrick has said, sometimes things go wrong on projects and it is about how we deal with them. For me, looking at Irish Rail and the NTA, the question is how both continued to support, approve, fund and defend a failing project for years after serious warning signs emerged. Not only that, and the witnesses might clarify the figure for me, but it looks as though as much, if not more, was spent on project support as there was paid and committed to Indra. That is a serious red flag and should have been picked up well before now. Ms Considine might tell me how much we have paid in project support to prop up this fiasco.

Ms Mary Considine: In total, I believe it is €28 million or €29 million.

Deputy Grace Boland: Is Ms Considine sure it is €29 million?

Ms Mary Considine: Third-party costs and project support amount to €29 million.

Deputy Grace Boland: What about Irish Rail's internal costs?

Ms Mary Considine: They are about €2.6 million.

Deputy Grace Boland: We are over €30 million, which is a similar amount to what we paid to Indra. In terms of looking at the NTA, there is a serious oversight failure here. Irish Rail warned the NTA repeatedly, the NTA approved multiple resets, a commercial reset, budgeting increases and continuation after confidence collapsed. The NTA explicitly resisted a development of plan B last year. The NTA took a hands-on role from mid-2025. That is not oversight; it is being complicit in this whole fiasco.

I want to look at the correspondence sent to us in April. The NTA sent us correspondence in April and attached board minutes of Irish Rail. The tone of the correspondence the NTA sent to us is of a project that is delayed but progressing through testing and that has future delivery phases. Yet, the Iarnród Éireann board minutes of February, several weeks earlier, record significant concerns about the contractor's ability to deliver the programme and note that the CP1 project is only a small portion of the scope and that Irish Rail directors were deeply concerned. My question to the NTA is to ask why the picture was painted to the Committee of Public Accounts that this was a project progressing. More importantly, was it trying to paint the same picture to the major project governance and oversight group as it was to the committee or was it actually conveying Irish Rail's concerns to the oversight group?

Ms Anne Shaw: To answer the first question, I do not think we have been painting a rosy picture. We have been working on a number of key decision points with Irish Rail with, as we have already mentioned, expert advice about the different resets that have happened over the lifetime of this project. With the information available at the time, I think those were

considered to be the right decisions to move forward, with the ultimate aim of delivering the traffic management system for the railway network.

The reports we gave to the committee in April were about the reset to look at CP1. CP1 was progressing well at that time. We worked with Irish Rail and Indra in terms of that.

Deputy Grace Boland: Just to note, the Irish Rail board of directors was deeply concerned and Ms Shaw is saying it was progressing well. Just to note, there is a serious difference there.

Ms Anne Shaw: We got an agreed approach in terms of what we were doing with the reset that had been done and to move forward with just CP1 and the Rosslare section of the network. That was progressing to plan and was being reported on that basis.

Just to say in terms of MPGOG, there were a number of occasions when we attended MPGOG and Irish Rail also came and gave a deep dive on the projects. MPGOG also has independent expertise that understands railway systems sitting on it. There are six independent experts on that governance and oversight group. Lots of questions are asked and there are lots of discussions, including about confidence in delivery. I do not think we have been painting a rosy picture-----

Deputy Grace Boland: I certainly feel the NTA was painting a picture to the Committee of Public Accounts that was different from the picture that Irish Rail was expressing.

Ms Anne Shaw: At that point in time when we came before the committee in April, that particular CP1 element, because that was what all the information was based on, was progressing-----

Deputy Grace Boland: I am talking about correspondence in April. It was very different in tone from what the Irish Rail board minutes were saying. I have serious issues with that and I hope Ms Shaw can confirm to me that MPGOG was fully aware of Irish Rail's concerns and did not just have the picture the NTA was painting to us. It is important.

Mr. Tomás Campbell: I will come in on MPGOG. It is worth noting that we have been very concerned about this project for a number of years and we have been kept informed on the issues. From an MPGOG perspective, at the time period in question we all knew that April would be a key milestone with delivery of the software. When the NTA was reporting into MPGOG we all knew that once the software was seen, CP1 would be viable from the timelines indicated. In the most recent meetings of MPGOG, in May and June, we had extensive discussions about how the software testing was going and the next steps. It is really important for the Department that we get the project onto a sustainable footing and go forward on the best possible basis. For MPGOG itself, we also have a mechanism in place to report to the Minister each quarter. The Minister and the management board have been kept informed of these issues. I do not think it is fair to say the NTA-----

Deputy Grace Boland: So everyone knew this was a failing project and no one stepped in to resolve it. Is that what Mr. Campbell is saying?

Mr. Tomás Campbell: I think that what MPGOG wanted to see was that Iarnród Éireann and the NTA were taking the expected steps and I believe they were. When the re-baselined programme was agreed in November 2024 it made the project more deliverable for Indra.

Everyone agreed it would be easier to deliver CP1, acknowledging it was a relatively small commissioning for use.

Deputy Grace Boland: I do not accept that. We are spending as much in project support to prop up a failed project and a contractor that was failing repeatedly to deliver. Everyone from the NTA to the Department was fine with that. It is not acceptable and it is not good enough. The taxpayer is rightly annoyed.

My next question is on the correspondence between the NTA and Irish Rail this week. I noted an article in *The Irish Times* today that seems to indicate the NTA is pointing fingers at Irish Rail and that it is saying this is its financial problem and if it wants to terminate the contract, it should do it but it will have to pay the consequences. Is that the position? How will that affect major projects and services?

Ms Anne Shaw: I do not think that is a correct assumption from what Deputy Boland has read in *The Irish Times* today.

Deputy Grace Boland: Ms Shaw might please share the letter with the committee after the meeting.

Ms Anne Shaw: We will try but with the caveat that if there are any commercial sensitivities-----

Deputy Grace Boland: They can be redacted.

Ms Anne Shaw: We will try to get it to the committee. In terms of answering the question, we have considered the decision of the Irish Rail board. When we met the Oireachtas joint committee a couple of weeks ago, we said we would expeditiously deal with the matter so as to make sure things can be taken forward as swiftly as possible in the interests of the Irish taxpayer as well. We need to assess the consequences of these discussions and the continued delivery of the traffic management system. We still need to make sure we deliver the traffic management system for the railway for existing and new services planned over the investment programme. We need to consider what the financial impact requirement is and look across the wider programme to make sure we can continue to deliver that as well.

It will be a case of rephrasing and reprioritising certain things over that period of time but ultimately to make sure that we deliver that.

Deputy Grace Boland: Given that Irish Rail raised concerns last year, and the NTA is now saying it is a decision for Irish Rail, why was Irish Rail not allowed terminate last year and explore plan B?

Ms Anne Shaw: I think that at that time the Irish Rail board, having reviewed the information and the proposals, did not make that request. The agreement between the organisations and the board-----

Deputy Grace Boland: Does Ms Shaw mean that Irish Rail did not make the request in writing? Is Ms Shaw saying that it is just because Irish Rail did not make the request in writing, notwithstanding that it has been raising serious red flags to the NTA since 2023, and we are now suggesting that it terminates? I assume that it was agreed between the NTA and Irish Rail that it would not be put in writing.

Ms Anne Shaw: There were discussions with various options about how this project could move forward. The decision of the Irish Rail board at that time was to move forward doing the Rosslare section and the CP1 section as well. With the information that is now available-----

Deputy Grace Boland: Was the phasing not agreed after Irish Rail suggested terminating?

Ms Anne Shaw: Does Mr. Creegan want to come in here? There were discussions around the various options, and it was agreed by all parties, including the Irish Rail board, to move forward with the option that was progressed over last year.

Mr. Hugh Creegan: The phasing proposal was developed in 2024 but what changes-----

Deputy Grace Boland: After Irish Rail had suggested terminating.

Mr. Hugh Creegan: It was after a discussion about the problems the project had and the options to deal with them. We then convened a tripartite meeting with ourselves, Indra and Irish Rail to go through the options. Out of that, Indra was required to produce a remedial plan, and it did produce a plan shortly after that. It looked a credible plan, and on that basis, we moved forward at that time. In 2025, because I think the Deputy mentioned it, we focused activity on the first phase called CP1, which she is aware of.

Deputy Grace Boland: How much has it cost us since 2024 to continue with this failed project? If we had terminated it two years ago or even last year, how much would we have saved?

Mr. Paul Hendrick: Since the summer of 2025, we have probably incurred an expenditure of close to €10 million. I will have to come back to the Deputy to confirm that.

Deputy Grace Boland: Is that with Indra, all external factors and Irish Rail's costs?

Mr. Paul Hendrick: That is the total project cost and a lot of that would be in the assessment and in the financial statements in the write down.

Deputy Aidan Farrelly: I thank the witnesses for being here and for their continued presence. It is clearly a project that has gone horribly wrong for both Irish Rail and the NTA but, ultimately, for the taxpayer as well. I was struck to hear from the NTA that it has commissioned an independent review of this project, to look at issues of governance, delivery and project oversight. Do the witnesses agree with me that commissioning an independent review is an offensive waste of public money? I would argue that Ms Shaw and her organisation are fully aware of what has gone wrong here. Ms Considine and her organisation are fully aware of what has gone wrong here, and Mr. Campbell and the Department are fully aware of what has gone wrong here. Given the prevalence of private involvement and consultancy, or whatever we want to call it, misguide advice, throughout, why do we need a third party to bring together all of this data that was shared with us today to tell us what has gone wrong? What is the budget for that independent review?

Mr. Hugh Creegan: I think it is €226,000.

Deputy Aidan Farrelly: Some €226,000, to do what? We know the flaws and problems. Mr. Hendrick has spoken about the lessons that need to be learned. Other than to try to assuage the very taxpayer that has been robbed of this service and of this money, this makes no sense. Who is doing that review?

Ms Anne Shaw: EY is doing the review but I think it is important to have an independent report, so that neither organisation can be accused of trying to put a different picture on the information.

Deputy Aidan Farrelly: Who is paying for that report?

Ms Anne Shaw: It is coming out of the NTA budget.

Deputy Aidan Farrelly: How is it independent, if the NTA is paying for it? It is an absolute offensive waste of a quarter of a million euro. I ask the NTA to reconsider whether it is necessary. I do not think it is.

Ms Anne Shaw: I still think the independent nature of the outputs and recommendations----

Deputy Aidan Farrelly: It will not be independent. With respect Ms Shaw, there will be no independence.

Ms Anne Shaw: -----will provide us with the lessons learned.

Deputy Aidan Farrelly: It appears that Indra was provided with this contract for the delivery of the project, based on its core TMS project. That is how I understood the witnesses very welcome briefing documents. It was because it had a solid and flexible logic. That is what was quoted. Indra also advised the witnesses of a 15-year history of 21 successful deployments across a number of different countries. Are the witnesses aware of anybody in their organisations who met with colleagues from any of those 21 deployments to hear from them about their experiences of working with this service provider?

Ms Mary Considine: I believe there have been discussion with Lithuania and other countries.

Deputy Aidan Farrelly: Were they prior to the contract being awarded?

Ms Mary Considine: I could not confirm that. I am not certain.

Deputy Aidan Farrelly: We know what happened afterwards. I am curious about what due diligence was done before the contracts were signed. Was it simply the case that because of its size and scale we took Indra's word for it, or did we do our due diligence to make sure that we spoke to those who worked with this organisation before? From the perspective of the NTA, did anybody meet with any of those countries that signed these contracts with Indra prior to signing that agreement?

Ms Anne Shaw: No, not that I am aware of.

Deputy Aidan Farrelly: Is it industry standard for a tender brief to be 50% on cost and 50% on qualitative submission?

Mr. Paul Hendrick: It depends on the type of project.

Deputy Aidan Farrelly: Is it industry standard?

Mr. Paul Hendrick: No, because sometimes it can be 30:70 in terms of cost and quality. It can be 70:30.

Deputy Aidan Farrelly: Who made the determination that this was the appropriate ratio, 50% on cost and 50% on what has turned out to be a myth.

Mr. Paul Hendrick: Iarnród Éireann; we would have as a business.

Deputy Aidan Farrelly: What the rationale for that decision?

Mr. Paul Hendrick: As part of the market research and market consultation process that we went through before we actually started the procurement competition, we would have taken on board how important it was to ensure that we did not make it a price sensitive decision. In other words, if it was 80% price and 20% quality, there was a risk then that somebody would have a weighted opportunity to win the bid with potentially a price that did not reflect the quality of what is needed. So, the quality of what we were going to get on this really complex project was really important and that would have had a bearing on trying to get the quality up as a strong factor in the evaluations such that-----

Deputy Aidan Farrelly: Iarnród Éireann could have gone 60% or 70% with the quality then. It could have done that.

Mr. Paul Hendrick: Agreed.

Deputy Aidan Farrelly: I do not know how it could have been a decent qualitative submission if it was a promise or a hope of delivery, not "This is what we do" because Iarnród Éireann was dependent on software that did not exist.

Mr. Paul Hendrick: Going back ten years ago, a lot of the criteria would have been weighted towards price but given the scale and the complexity of the projects that we are facing, we have already moved going forward to a model that is along the lines of what the Deputy just mentioned there.

Deputy Aidan Farrelly: Was Indra the cheapest bidder?

Mr. Paul Hendrick: It was.

Deputy Aidan Farrelly: By how much?

Mr. Paul Hendrick: There was a maintenance price and a capital price on the bid. There was a capital price for the works, and then there was a maintenance proposal to support the maintenance of the asset when it was built but on the capital price it was probably about 50% cheaper than the losing bidder.

Deputy Aidan Farrelly: It was 50% cheaper on the price, which was worth 50% of the award criteria, and in the qualitative submission it told Iarnród Éireann that it would deliver its own internal software, which was not ready but it would have it. We agreed to sign the contract based on that promise, alongside its track record with other countries on what it delivered before, but our service that we need was dependent on new software that it did not have at that time.

Mr. Paul Hendrick: That is really good question but just to say that when Indra submitted its bid, going back to the promise, because that is what a contract is it is a promise to do versus a promise to pay, it offered us Da Vinci 2.0 in its bid submission. The way it worked-----

Deputy Aidan Farrelly: Indra did not have it to offer.

Mr. Paul Hendrick: Let us say that Indra did have Da Vinci 2.0. I just want to say that when it put in its compliance matrix, it was obviously populating and self-declaring and that looks like it was marking its own homework but we reviewed that compliance matrix. It had to be substantiated. You could not just say, "Yes, we comply". You had to show evidence of how your solution could meet those particular requirements. We had that review done also by Ricardo, which had the subject matter expertise out there on other projects. It authenticated that the bid submission was a bona fide bid submission from Indra for Da Vinci 2.0. The problem was post-contract when Indra moved away from Da Vinci 2.0 because it was moving to 3.0. That is where-----

Deputy Aidan Farrelly: In simple terms, is that not a breach of contract? Indra changed the landscape.

Mr. Paul Hendrick: It is difficult. We recognised the concern as a business but when we went through it, we were not able to identify a clear breach such that we would be able to lawfully stop the contract.

Remember that if you try to do something you are not entitled to do, the company can bring a challenge. The Deputy's question is very fair.

Deputy Aidan Farrelly: Mr. Hendrick mentioned the word "slippage". I am not going to be pedantic, but slippage of 20 months on a four-year contract is more than slippage. At one point, he was notified that it would be that long. There was then a resettlement to the tune of €1.4 million. Was Indra paid €1.4 million in addition, even though it had delayed the project by 20 months? I seek a "Yes" or "No" answer.

Mr. Paul Hendrick: We reset our target price by an additional €1.4 million. There were other issues it was arguing. It was making arguments against us at that time.

Deputy Aidan Farrelly: I know it was looking for €2.3 million in the resettlement.

In the time I have left, will Ms Shaw rule out, or just for the record state, what impact, if any, this has on the delivery of MetroLink?

Ms Anne Shaw: This will have no impact on the delivery of MetroLink.

Deputy Aidan Farrelly: None.

With regard to the DART+ expansion and the projects that are really important, will Ms Considine state what impact the whole process will have on the delivery time of those services?

Ms Mary Considine: We have been very focused on addressing that point. We have put obsolescence provisions in place, with the support of funding from the Department of Transport, to protect the train control system in the denser part of the network around the greater Dublin area and to future-proof for the DART+ expansion. What we want to do now is move to protect the rest of the network and support the other vital capital projects that are happening around the country.

Deputy Aidan Farrelly: Can Ms Considine guarantee that there will be no delays to those programmes because of this?

Ms Mary Considine: We can say that there will be no delay to DART+, and we are working to find solutions for the other parts of the country.

Deputy Aidan Farrelly: If the interim measures in place were sufficient, we would not be in this mess in the first place. We are obviously in some form of limbo now where we need to find a long-term solution. Are there any health and safety risks associated with where this whole project stands now, as regards the current rail network but also the future expansion?

Ms Mary Considine: To give assurance to the committee, the current technology, even though it is life-expired, is fail-safe technology. What that means is that something will stop running if there is an issue and we will have an outage like we had on 29 May that affects services. It is really unfortunate, but it will fail safe, so we will not be compromising safety. Safety is absolutely crucial. We will stop running services rather than compromise safety. We obviously do not want to stop running services either, so we need a solution here.

Deputy Aidan Farrelly: I thank the witnesses.

Deputy Martin Daly: I thank the witnesses for attending this morning. I do not want to rehash what has already been covered, but it really is difficult for an ordinary person, and I see myself as an ordinary person, to understand the contract situation. Reading through the submissions, I note that there were flags going up on this contract as early as 2020. If a multibillion euro corporation that was supposed to specialise in this area was failing to meet very basic requirements of a contract so early in its term, why were red flags not going up all over the place? Is there any answer to that?

Ms Mary Considine: I will hand over to Mr. Hendrick because he will be able to go into more detail, but if the Deputy reviews the correspondence that we have put before the committee, he will see that red flags were being raised. Even in the first commercial resettlement, there were assurances given by Indra that it was addressing the issue. It never raised any issue with specifications, nor did it state it could not meet the criteria. It accepted and signed up to the rebasing of the contracts, and unfortunately it did not deliver. That led to Mr. Hendrick and his team flagging very serious concerns in early 2024.

Deputy Martin Daly: As early as 2024.

Ms Mary Considine: Early, and there would have been-----

Deputy Martin Daly: It is four years. I see that Indra used things like the pandemic to explain it. The pandemic has been blamed for everything. What I cannot understand is that, for four years, these flags were going up very early on in the term of the contract. Four years is a long time.

Ms Mary Considine: Maybe Mr. Hendrick can talk about the measures that were put in place.

Mr. Paul Hendrick: The concerns that were raised related to the DaVinci 2.0 platform that Indra was advising us about post contract. It had not advised at any time going into the contract that it was going to move from version 2.0 to version 3.0. It did cause a concern. Our team went through a due diligence process with the company to ask what this meant. It reassured Irish Rail by saying that this was the next generation of the product. It has a product development history. It states it has had versions 1.0 and 2.0 and is moving to 3.0 as a business.

It stated that this would be the case for TMS applications that it was involved with in other jurisdictions, so it would not have version 2.0 in one place and version 3.0 in another. Rather, the aim was to roll it out consistently. The concerns we would have had were to make sure we would still get the offering promised with version 2.0 with version 3.0. They were the undertakings that Indra gave to the business, and we worked forward on that basis.

What happened from 2022 to 2024 was that we had programme concerns. "Slippages" is the word we have used but there were significant programme concerns. The movement from version 2.0 to 3.0 has turned into a whole new process for Indra as a business. It was developing the next version of the product "outside the project", as it is called. In other words, there was an activity it was engaging in as a business that the project it had committed to doing for us was dependent on.

Deputy Martin Daly: In 2020?

Mr. Paul Hendrick: From 2020, yes.

Deputy Martin Daly: Mr. Hendrick is now saying that, between 2022 and 2024, serious slippage happened, but we are talking now about two to four years.

Mr. Paul Hendrick: Yes. It promised us that the product development process, which relates to what is called the generic product, as the Deputy might have seen in the note, would be finished. Indra guaranteed it would be finished in 2021, such that it would have no effect on the programme whatsoever. In the end, it took Indra until the end of 2023 to have the generic product process that it was engaging in as a corporate organisation outside the project completed. That was a driving factor and really delayed the project.

Deputy Martin Daly: It really feels like Indra gamed the contract. What is really interesting is that it was 50% less expensive than the next tenderer. Did that not raise concerns that it had lowballed the State on this contract? We have seen it in other big State infrastructure contracts, with lowballing and then coming back and back until the cost escalates or the contractor cannot meet the terms of the contract.

Mr. Paul Hendrick: As part of the procurement evaluation process, we would carefully examine the commercial offerings of any bid to assess them from the point of view-----

Deputy Martin Daly: Fifty percent is a huge gap. If there is a gap of 10% or 15%, someone somewhere says the company should wait a minute. I do not want to ask who the other firms that tendered were. Mr. Hendrick probably cannot tell me that. Can he? Were they reputable corporations?

Mr. Paul Hendrick: Yes.

Deputy Martin Daly: International?

Mr. Paul Hendrick: Yes.

Deputy Martin Daly: Okay. Fifty percent is just incredible. If a builder came in and said he could build something for 50% less, you would be expecting wet bags of concrete to be stuck in the wall. Someone would be cutting costs somewhere. It is incredible. It is just a reflection on things.

Consider the third-party advice to support Indra. Who did Irish Rail bring in to provide that third-party hand-holding advice to a multibillion-euro corporation that was supposed to deliver a huge infrastructure project? I saw in the note that Irish Rail brought in some external contractor to help it through some of its issues. Was that another contractor?

Mr. Paul Hendrick: We had two organisations, called Ricardo Rail and Turas, which provided effectively temporary staff to help us manage the project, including technically. They were helping Irish Rail, I should say. They were working for-----

Deputy Martin Daly: Helping Irish Rail.

Mr. Paul Hendrick: They were working for Irish Rail and helping Irish Rail.

Deputy Martin Daly: Was anyone brought in to help Indra or advise it? Did Indra subcontract any work?

Mr. Paul Hendrick: I am not sure, to be honest, exactly in what way Indra's staff were contracted. It had a lot of people working for it, advising and doing the work for Indra directly.

Deputy Martin Daly: Again, I do not want to rehash what has come before. The contract is with the NTA and Irish Rail delivers it. The advice is that there is going to be a review to decide on how to terminate this contract. Am I reading that correctly, or am I misinterpreting that?

Ms Anne Shaw: The contract is between Irish Rail and Indra. Irish Rail will need to have conversations directly with Indra in terms of managing the next steps. The NTA will continue to work with Irish Rail to support any way forward.

Deputy Martin Daly: The ticketing system contract is going to Indra. Again, for the benefit of the ordinary public, how are we to understand that a corporation that has not delivered on a project is being brought in to deliver another development for the NTA, namely, the next-generation ticketing system?

How does the NTA explain that to the public?

Ms Anne Shaw: Again, there was a compliant procurement process where Indra was successful in that contract. As I mentioned earlier, there was a lot of pre-mortem, as it were, prior to developing the procurement strategy about all the things that needed to be included in the same way there was a review of all the different expertise globally, the different organisations that deliver against these projects. Indra has got that global presence in this particular field as well. It is very different technology to rail.

Deputy Martin Daly: Is Ms Shaw confident it will deliver on that contract?

Ms Anne Shaw: It is currently being delivered on time and on budget. All the milestones are being met. The teams are colocated and working successfully to deliver against those milestones.

Deputy Martin Daly: Does the NTA's external consultants who advised on the original contract, Ricardo, culpable here in any way? What happens if I get advice and it is deficient, and obviously its advice was deficient?

Mr. Paul Hendrick: Well-----

Deputy Martin Daly: Maybe "deficient" is too strong a word. Let us say it has given the NTA advice, as a specialist company, which has turned out to be erroneous.

Mr. Paul Hendrick: There will be the EY review which the NTA mentioned which will look at everything that has happened as a full look back. A lot of this happened before my time in the business. I am not here trying to defend anyone, to be clear; the facts are the facts and we will go through where all the real causes are. Based on the undertakings and representations that Indra made through the pre-call and the bid process, how Ricardo and the project team assessed it was not unreasonable based on the information they were given to review. That is just my opinion.

Deputy Martin Daly: Therefore it comes back to Indra not delivering and undervaluing what was required and a whole range of things. Low-balling, I would say.

Finally to the NTA, the State will spend a lot of money on MetroLink. Does the NTA think it is capable of delivering MetroLink?

Ms Anne Shaw: Obviously we are coming close to the next approval gate for MetroLink. There has been a lot of work to develop the project team and a lot of work to make sure we have the right design and systems in place as well. There have been thorough assessments around both the project execution and how that will be delivered. What is being delivered, all the costings, etc., are all in the process of being assured against that as well.

Deputy Martin Daly: I have run out of time here and I do not want to take anyone else's time. Ms Shaw could accept the public has, perhaps, had its confidence shaken in the NTA and Irish Rail in the management of this particular contract

Ms Anne Shaw: Yes.

Deputy Martin Daly: That is all I can say. I cannot answer that. I thank the Cathaoirleach.

An Cathaoirleach: Before I let the next speaker in, the committee's function here is to establish how public funds are managed. Members may refer to third parties insofar as it relates to decisions, the decisions and oversight of Irish Rail and the NTA, but the committee cannot make findings as regards the contractors' liabilities.

Deputy Bennett is next.

Deputy Cathy Bennett: I welcome the witnesses and thank them for coming in.

I have heard numerous dates and timelines for the national train control centre project, NTCC. When did the witnesses first become concerned about the NTCC?

Ms Mary Considine: If you take the overall NTCC project itself, despite Covid and everything, the building was delivered within budget. That is quite a futuristic building that will centralise the entire control system but will also future-proof for Dublin City Council, and the gardaí are also in there. The building itself went to plan. In terms of the signalling, electrical and telecommunications elements of the project, a lot of that was delivered in conjunction with our own team, it went to plan and the hardware was installed. I know we are repeating ourselves, there were concerns about Indra and its performance from early on with the traffic management system, TMS.

Deputy Cathy Bennett: What was the first year?

Ms Mary Considine: I would say late 2020 there were initial concerns.

Deputy Cathy Bennett: So that is 2020-2026 and it has only become public now at this stage really. In the last six months, would you say?

Mr. Paul Hendrick: If I could go back, we did the first commercial reset No. 1 in late 2022. I came into my role in September-----

Deputy Cathy Bennett: Mr. Hendrick is saying 2022 then.

Mr. Paul Hendrick: We had initial-----

Deputy Cathy Bennett: This is why I am confused because everyone keeps mentioning different years and we are only finding out here in 2026.

Mr. Paul Hendrick: There was a number of programme challenges at that point.

Deputy Cathy Bennett: Okay. I am not worried about any of that. All I want to know is the first year it was highlighted. We are only hearing about it in here in 2026, so I want to know what has happened in the meantime. When did the Department find out, Mr. Campbell?

Mr. Tomás Campbell: It predates my time on the project as well.

Deputy Cathy Bennett: I am not asking that. I am asking what year did it come to the Department?

Mr. Tomás Campbell: I think around 2022.

Deputy Cathy Bennett: In 2022.

Mr. Tomás Campbell: There were concerns around the time-----

Deputy Cathy Bennett: What happened in 2022? What response did the Department have to this problem at the time?

Mr. Tomás Campbell: We had a deep dive on the project in November 2022. From the Department's perspective, we wanted to assure ourselves that the NTA and Iarnród Éireann were managing the project as we would expect and also the implications for the wider rail transport programme and mitigations in place.

Deputy Cathy Bennett: In 2022, how much had been spent at that time?

Mr. Tomás Campbell: I would handover to Iarnród Éireann.

Deputy Cathy Bennett: Okay. Does Mr. Hendrick know that figure?

Mr. Paul Hendrick: Can I come back to the Deputy on that to make sure I give the accurate figure?

Deputy Cathy Bennett: Okay. Did you seek any assistance from the Department at that stage, saying "We're in trouble here". Were we €50 million in trouble at that stage? Sorry, I am not getting any answers.

Mr. Paul Hendrick: Apologies.

Deputy Cathy Bennett: At that stage, in 2022, was Irish Rail €50 million in trouble? Is that how far it was?

Mr. Paul Hendrick: No.

Deputy Cathy Bennett: It was not. So why did the Department do anything at that stage? That is for Mr. Campbell.

Mr. Tomás Campbell: The approving authority function was delegated to the NTA and that was in line with infrastructure guidelines. The Department would allocate the budget.

Deputy Cathy Bennett: Did it come to the Department at that stage to say it was in trouble?

Mr. Tomás Campbell: I do not believe at that time.

Deputy Cathy Bennett: Before the State spent €50 million.

Mr. Tomás Campbell: At that time I do not think any of us would have known it would escalate-----

Deputy Cathy Bennett: Nobody knew. I just find it incredible that one organisation, one State body after another, comes in here and nobody knows what is going on in the Department. Nobody seems to know.

Mr. Tomás Campbell: We-----

Deputy Cathy Bennett: Do we not get reports back from every State body? The Government gives money to State bodies. I do not understand. There is no oversight in the Department where it is watching timeframes and timelines, where the money is being spent and how it is being spent. This is taxpayers' money.

Mr. Tomás Campbell: I accept that. We all deeply regret where we have got to but throughout that period NTA management of that programme was in line with what we would have expected.

Deputy Cathy Bennett: In line with what the Department expected but it was having problems in 2022 and there was nothing done about it. It is now 2026 and now the issues are just coming to us at the Committee of Public Accounts.

Mr. Tomás Campbell: Throughout that period, MPGOG reported on a quarterly basis to the Minister and to the management board. The issues were being escalated. We were aware of them and we were very concerned.

Deputy Cathy Bennett: The Department was very concerned. It was not that concerned if it did not do anything for four years.

Mr. Tomás Campbell: From an overall-----

Deputy Cathy Bennett: From 2022 to 2026.

Mr. Tomás Campbell: From an overall rail portfolio perspective, we were assured that there were mitigations in place for, say, the Galway Ceannt Station, for Waterford North Quays project and for the Foynes line, that the contagion of the wider programme was being managed.

Deputy Cathy Bennett: Okay. I am just trying to think for the future, how do we avoid something like this ever happening again where something is highlighted to the Department in 2022 and nothing is done until 2026 and now the State is €50 million worse off? That is money that could have been spent on the MetroLink or other things but it has not been because the State has lost that money.

Am I correct that we are also paying Indra to run the next-generation ticketing system?

Ms Anne Shaw: That is correct.

Deputy Cathy Bennett: The NTA must have great confidence in it that it actually managed to procure another contract from the State.

Ms Anne Shaw: As I already mentioned, that project is being run well. It is currently on target, on budget-----

Deputy Cathy Bennett: On target, on budget.

Ms Anne Shaw: -----with all milestones being met.

Deputy Cathy Bennett: On target and on budget. Contactless payment was introduced to Ireland in 2011. That is the same year as the Leap cards. Why were Leap cards introduced but we were not using contactless payment. In New York, London and everywhere else in the world, they are using contactless payment. What is so great about this new-generation ticketing system? How much are we paying Indra for that system?

Ms Anne Shaw: The next-generation ticketing will also incorporate the current Leap system to enable that to continue as we transition to fully contactless payment.

Contactless payment will, with an account-based system, allow people to pay for their transport after the fact, and after the system has worked out how transport has been used and get the best price whether people use their phone, bank card or watch.

Deputy Cathy Bennett: What is so good about this new ticketing system that could not have been used back in 2011 when other countries introduced contactless payment there and then? Why do we still not have a contactless payment system in Ireland 15 years later? The witnesses say it is going to be such a magnificent system.

Mr. Hugh Creegan: Yes, the Deputy is right that the technology was introduced in 2011. It started a good many years before that. At that time, contactless payment by bank cards was a relatively new development. The key thing in London at that stage was the Oyster card. At the point that project started, it was the right decision made. It was introduced in 2011 and is now-----

Deputy Cathy Bennett: Why are we moving at a snail's pace?

Mr. Hugh Creegan: The project we are on now is to produce the next generation of ticketing.

Deputy Cathy Bennett: It is 2026.

Mr. Hugh Creegan: It is.

Deputy Cathy Bennett: This technology was introduced in London in 2011.

Mr. Hugh Creegan: The Leap card has worked.

Deputy Cathy Bennett: Fifteen years.

Mr. Hugh Creegan: Yes, and the Leap card has worked very successfully over that intervening period with very many millions of journeys taken, but we have now reached the point of upgrading to the new system. That is what is under way with the current project.

Deputy Cathy Bennett: Okay. I want to ask about the rail network. I have brought to the attention of a few committees the fact that there is no rail network in County Monaghan, which is where I live. Again, it is unbelievable that is the situation in this day and age. Back in the 1950s there was a railway running through Monaghan. I would like to have an update on that. What has happened? Have there been any further reviews? It has come to my attention that there will be a rail service between Portadown and Clones at some stage. Maybe we could have an update on that if there is something coming down the tracks.

Mr. Tomás Campbell: I can come in on that one.

Deputy Cathy Bennett: Yes.

Mr. Tomás Campbell: The All-Island Strategic Rail Review was published in July 2024 in conjunction with the Department for Infrastructure in Northern Ireland. It was the first ever all-island rail plan. In that, there is, as the Deputy mentioned, a line proposed from Mullingar to Portadown. That is not being funded in the next five years. Under the national development plan, we have set aside €100 million in the next five years for a range of early interventions, which are foundational investments in the network that increase resilience and capacity in the network. In the 2030s, we will deliver a number of major projects and we are doing the preparatory work for that now. We developed a plan for those major projects in the 2030s with the support of the European Investment Bank and published a plan for that in December of last year.

Deputy Cathy Bennett: I am delighted to see that you are coming up with plan for a united Ireland and we are in preparation for that. That is good news.

We have a bus station in Monaghan town that really needs to be developed and upgraded. Planning permission was in place for that but the building never actually happened. That bus station is closed to the public at night-time, even though buses run through Monaghan at night-time. Can anybody give me an update on that?

Mr. Hugh Creegan: The bus stations around the country are owned by Bus Éireann-CIÉ, and because they are not all running PSO services only and a lot of the stations run a commercial service, the Expressway service, we are limited in what we can do to fund upgrades. I do not know where an upgrade is for the Monaghan station. I do know that, because of state-aid issues, we are limited in what we are able to do.

Deputy Cathy Bennett: Does Mr. Creegan not find it concerning that so much money from the transport authority seems to go to Dublin? Why are we not concerned? Why do the witnesses not know about Monaghan? Is it not relevant that we in Monaghan do not have a rail network and our transport system is very behind the times in that we do not even have a bus going on the hour every hour to Dublin? There is a lot of work to be done there, and for rural counties. Not enough is being done, and I want to highlight that here today. The witnesses

should make sure it is put high on the Department's agenda. Rural Ireland has been left behind again in terms of both rail and bus services.

Mr. Tomás Campbell: To be fair to the National Transport Authority, most of the statutory limit is the greater Dublin area. Some of it is national. We currently have the Dublin Transport Authority (Amendment) Bill going through the Oireachtas. I think that had Committee Stage at the end of June. That will be enacted in the autumn and that will put the infrastructural delivery aspect of NTA's remit on a national basis, so that will give it more levers across the country.

Deputy Cathy Bennett: Just one more thing-----

An Cathaoirleach: Very briefly, Deputy.

Deputy Cathy Bennett: Did the witnesses receive media training before attending here?

Mr. Tomás Campbell: No.

Deputy Cathy Bennett: Nobody did. Thank you.

An Cathaoirleach: Thanks for that. We will take a short break.

Sitting suspended at 12.35 p.m. and resumed at 12.54 p.m.

Deputy Joe Neville: I thank the witnesses for coming in. I want to get a bit granular regarding the €50 million write-off and the timeline involved. When was the first €4 million to €5 million of the €50 million spent?

Ms Mary Considine: Obviously, there was spending from the outset with this project, even prior to the contract being awarded.

Deputy Joe Neville: I want to get into the first steps of the process.

Ms Mary Considine: We set out the financial details in the appendix. I will dig them out.

Deputy Joe Neville: I just want to try and go through that. I think it is important to do so.

Ms Mary Considine: If we look at appendix 1 of the financial briefing, which is attached to our document, we see that the initial spend happened in 2015.

Deputy Joe Neville: Could Ms Considine read it out for those who do not have copies of the report? I just want to go through it.

Ms Mary Considine: I apologise. Perhaps Mr. Hendrick could read it for me. The print is a bit small.

Deputy Joe Neville: Not everyone will have access to the appendix. Could Ms Considine outline when the first €5 million was spent.

Ms Mary Considine: I think it was 2015. I will just bring it up on screen because it will be easier to read. I apologise to the Deputy.

Deputy Joe Neville: I am just conscious of the time. Can we try to get the information?

An Cathaoirleach: Perhaps Deputy Neville could move on to his next question.

Deputy Joe Neville: No, I want to go through it on a granularly.

An Cathaoirleach: That is no problem.

Deputy Joe Neville: Do we not know when the money was spent?

Ms Mary Considine: We do. I am sorry. I am just trying to open the appendix.

Deputy Joe Neville: I am asking high-level questions here.

Ms Mary Considine: Yes.

Mr. Paul Hendrick: Could I answer in terms of the €50 million write-down against the-----

Deputy Joe Neville: No, could Mr. Hendrick just do it in the way I am asking, please?

Mr. Paul Hendrick: I am not sure that we have the information.

Deputy Joe Neville: Do the witnesses not know when they spent the money? What I want to find out is when the money was spent. Some €2.5 million was spent, but we are still not sure when it was spent never to mind who spent it.

Ms Mary Considine: At a high level, in relation to the spend, the impairment review looked at the carrying value of the asset-----

Deputy Joe Neville: No, I genuinely do not want to do that.

Ms Mary Considine: Yes, okay.

Deputy Joe Neville: I only have 15 minutes. Do we just not have a clue when it was spent?

Ms Mary Considine: It was spent from 2015 onwards. Anything relating to the software element of the TMS project was prior to-----

Deputy Joe Neville: But we do not know when elements of the €50 million were spent or when they were written off.

Ms Mary Considine: We do. We just do not have it to hand.

Deputy Joe Neville: How was it assessed?

Mr. Paul Hendrick: The €50 million write-down is predominantly based on us not having a developed product. When the board made the decision to do the impairment review-----

Deputy Joe Neville: I do not want to talk about the board and the impairment review. I am asking what checks and balances there were along the way when money was spent in order to ensure that we were getting value for money.

Mr. Paul Hendrick: The decision on the write-down is what drives whether we assess whether there is an impairment or not. Throughout the project-----

Deputy Joe Neville: I am an accountant, so I know how the impairment process works. I am talking about the process along the way. Are the witnesses telling me that they only looked at it at the very end to see if it was working?

Mr. Paul Hendrick: Each year, we assessed it on the basis of the carrying value. Every expenditure we have on a capital project goes into our fixed assets, so we capitalise the cost.

Deputy Joe Neville: Yes, the costs are capitalised. That is why this should be very easy. I know how that works. It should be very easy to say that amounts of €5 million here, €10 million there and €15 million there were capitalised. The asset will grow in value to a certain point, and then, obviously, the witnesses examined it at the very end and saw that it was worth nothing. Why did that happen? I want to know the steps as to how it happened and how it built up to €50 million. If we are saying that we do not know-----

Ms Mary Considine: We do. I have it open in front of me.

Deputy Joe Neville: This is €50 million. This is really important. The information should be at the witnesses' fingertips.

Ms Mary Considine: In 2013, there was a spend of just under €400,000.

Deputy Joe Neville: I know. That is why my first question was about the first level of significant funding.

Ms Mary Considine: Yes. The first level of funding was in 2013.

Deputy Joe Neville: When did it rise to €10 million, €15 million and €20 million? Why did someone not cry stop at €25 million?

Ms Mary Considine: The first significant spend was in 2019. That would primarily have been on ICT and ICT enablement works.

Deputy Joe Neville: How much was that?

Ms Mary Considine: That was €2.5 million out of a total €3.2 million.

Deputy Joe Neville: So €2.5 million was spent in 2019. What is the total value there?

Ms Mary Considine: The total value at that point-----

Deputy Joe Neville: How much of the €50 million was capitalised by 2019? This is very simple.

Ms Mary Considine: In 2019, there was a total figure of €3.2 million capitalised.

Deputy Joe Neville: Of the €50 million. In 2020, how much was capitalised?

Ms Mary Considine: It was €6.1 million.

Deputy Joe Neville: So now we are up to €9 million. What was it in 2021?

Ms Mary Considine: It was €7.3 million.

Deputy Joe Neville: So now we are up at €16 million. Keep going.

Ms Mary Considine: Then we had a spend of €14 million in 2022 and a spend of €21.7 million in 2013.

Deputy Joe Neville: So by 2023 there was €20 million spent.

Ms Mary Considine: Yes.

Deputy Joe Neville: How much was spent in 2024?

Ms Mary Considine: In 2024, in total it was about €14 million.

Deputy Joe Neville: What about 2025?

Ms Mary Considine: In 2025, it was €15 million.

Deputy Joe Neville: What about 2026?

Ms Mary Considine: In 2026, to date it is about €3 million spent.

Deputy Joe Neville: So, we spent another €3 million on the project.

Ms Mary Considine: To date, yes.

Deputy Joe Neville: Is that of the €50 million?

Ms Mary Considine: No, that is not included in the €50 million.

Deputy Joe Neville: It is not related.

Ms Mary Considine: No.

Deputy Joe Neville: When did the spending stop on the €50 million?

Ms Mary Considine: The €50 million is the impairment figure at the end of 2025.

Deputy Joe Neville: Was no money spent on the project in 2026?

Ms Mary Considine: There was spend on servicing the contract, which was about €3 million, that has not been capitalised.

Deputy Joe Neville: There a further €3 million on that recurring-----

Ms Mary Considine: Yes, recurring across the spend.

Deputy Joe Neville: There is a €3 million cost in 2026 was for a project that was written off in 2025.

Ms Mary Considine: Yes.

Deputy Joe Neville: The State has written off an asset but it is still incurring a €3 million cost every year on the same. Is that what Ms Considine is saying?

Ms Mary Considine: We are incurring ongoing costs so long as we are still in contract with Indra.

Deputy Joe Neville: How long will this contract go on with Indra for a project we do not have?

Ms Mary Considine: As I referred to in my opening statement, the board took a decision on 22 June based on the principles testing report that came to us on 16 June. We sought the approval of the NTA. They have written back to us confirming their consent to implement the board decision. We are in the legal process at the moment.

Deputy Joe Neville: Going back to the audits at the end of 2024, when it was not written down, was there any impairment review done of the asset?

Mr. Paul Hendrick: At the time it was carried at its carrying value-----

Deputy Joe Neville: I get that but was there an impairment review?

Mr. Paul Hendrick: Can I finish?

Deputy Joe Neville: Okay.

Mr. Paul Hendrick: The reason it was carried was because the prospects of it generating an economic asset was greater than 50% in accordance with the FRS 102 accounting standard.

Deputy Joe Neville: In fairness, how-----

Mr. Paul Hendrick: If I can finish. What changed in early 2026 is that as we were developing the project with Indra, we got to the point where we could no longer convincingly demonstrate to the board of directors of Iarnród Éireann that there was a greater than 50% probability of this project delivering a useful economic asset. Once that fell below this-----

Deputy Joe Neville: I get that but-----

Mr. Paul Hendrick: -----it triggered the impairment. What we then had to do was the impairment review based on financial statements for the end of 2025. The cumulative expenditure on the project since 2013 is €150 million, including VAT, because we have to carry VAT on a project with non-recoverable VAT. When we assess that €150 million, we then have to assess the writedown percentages. The way we did that was to look at the Indra contract and look at the software to make a decision on whether we could we carry and reuse any of that software if Indra were not the future supplier to finish this project. We made the decision that we could not and we had to write off 100% of the software cost with Indra. We also looked at hardware that Indra had installed and we were able to reuse a lot of that hardware so we carried some of the value through the hardware.

Deputy Joe Neville: How much is the value of the hardware?

Mr. Paul Hendrick: The hardware is about €4 million and we were able to carry about 65% of that. If we look at the total, it is about €30 million and we were only able to carry about €2.5 million in total. We wrote off the majority of the money on the software, which was about €27 million or €28 million.

Ms Mary Considine: It was €28.2 million.

Mr. Paul Hendrick: The rest of the money then is hardware. We have been able to retain some value from the Indra contract purely because of the hardware we could reuse with a different supplier if-----

Deputy Joe Neville: All along, the decision was made to carry out. Iarnród Éireann did the impairment review but obviously it did its own internal test on the 50%.

Mr. Paul Hendrick: Yes.

Deputy Joe Neville: I totally get that but was that same test done the previous year and were the witnesses happy to go along with it?

Mr. Paul Hendrick: We did not have anything to trigger a review so we were happy to carry the value in the financial statements.

Deputy Joe Neville: So people were-----

Mr. Paul Hendrick: We believed we were going to get an economic asset out of the project because we believed Indra at the end of 2024. We did a settlement agreement-----

Deputy Joe Neville: What was the trigger whereby Iarnród Éireann knew it would not get it?

Mr. Paul Hendrick: It was as we came through 2025 and we started to look at the testing, which was the second round of testing on CPU-1 and the results that were coming through. When we got the initial results, after we were given the software on 20 April, the board was trying to close the accounts. On 6 May we had a board meeting. I had to present to that board meeting and advise them of the outcome of the testing process, which was starting to fail.

Deputy Joe Neville: I know but-----

Mr. Paul Hendrick: If I could just finish up.

Deputy Joe Neville: I am under-----

Mr. Paul Hendrick: On the basis of that failure it triggered the impairment review. We then had to go away and assess the quantum of what that writedown should be based on the situation we were in.

Deputy Joe Neville: Was any more spent after that? Mr. Hendrick went to the board, which is a process, which I totally get. The board, however, does not run the company. As Mr. Hendrick will be aware, we all know the role of a board and what it does, but ultimately it is the CEO and CFO who actually know, or should know, what is happening on the ground. I want to take the board out of it. At what point was the previous CEO, made aware by Mr. Hendrick and the team that Iarnród Éireann had an impaired asset? When was the first time the question was raised? Was any more money spent on it after that?

Mr. Paul Hendrick: We did not have an impaired asset at-----

Deputy Joe Neville: Potentially.

Mr. Paul Hendrick: -----at the end of the accounts up to the end of 2024. From the end of 2025 when we were closing those accounts in early 2026-----

Deputy Joe Neville: No. I am saying there was a question mark. There was not just a lightbulb moment when someone said, "We had better write off €50 million". Surely there was a concern somewhere.

Ms Mary Considine: When we initially looked at approving the accounts at the end of March, there obviously was a real deep concern by the board and they questioned-----

Deputy Joe Neville: Was that this year?

Ms Mary Considine: Yes, this year.

Deputy Joe Neville: When was it questioned first? That is what I am trying to get at.

Ms Mary Considine: In reviewing the financial statements for 2025, they would have considered the carrying value of the asset. The decision was deferred until we could see whether the principles testing would succeed when on CPU-1, which was delivered on the 20 April.

Deputy Joe Neville: Was that a year later?

Ms Mary Considine: No, it was the same year, March this year. In April, the CPU-1 was delivered and on 6 May, there was concrete evidence at that stage that the testing was failing and the board made the decision to impair the asset.

Deputy Joe Neville: There was no concern up until there was a concern, and then Iarnród Éireann wrote it off within weeks. Is that right?

Ms Mary Considine: I think there would have been flags and concerns all the way through, as we outlined in all our correspondence. We have been reporting to the committees, to our board and to the NTA. As we discussed earlier, there were two commercial resettlements, including a very significant one at the end of 2024. The teams were working through 2025 to deliver.

Deputy Joe Neville: I am finished my time. I think it is a big thing for the witnesses to say that all the way along there were concerns but at no point was it in the impairment review, potentially, and Iarnród Éireann just kept capitalising all the way through. Yet, Ms Considine is saying she had concerns. If there are concerns about the value of an asset, no accountant should continue to capitalise while there are concerns there. Ultimately, she has just said that this was the case.

Ms Mary Considine: There were concerns with the delivery of the project.

Deputy Joe Neville: That should never have happened. The clock keeps ticking and money keeps going out the door. Now the State has a bigger bill to deal with than it had.

Deputy Paul McAuliffe: Deputy Neville was killed by his own analogy there. Let me try to sum up what we have listened to so far. Essentially, Irish Rail is saying that they thought they were buying a generic project and it has ended up being involved in a software development project. It was buying something it thought was reasonably off the shelf and in the end, it has been involved in a sort of speculative project where they Indra developed the software and at the end of it all, there is nothing to show for it.

Ms Mary Considine: I cannot disagree with how the Deputy has summarised it. As we said, we believed we were buying 2.0 and it was then evolving to 3.0, and they are still in development.

Deputy Paul McAuliffe: Far from being a masterpiece, the da Vinci has ended up basically being a bag of paint with no paint. That is fine. That is Iarnród Éireann's case, but then the question is: how did it take so long to get to this? How did the Committee of Public Accounts and the Comptroller and Auditor General not know before that?

There was a lot of emphasis on Lithuania. Am I correct that while Indra was involved in many deployments, they were mostly single high-speed rail projects and simpler projects? Lithuania was significant because it was their first national scheme. Is that correct?

Mr. Paul Hendrick: I think that is fair to say.

Deputy Paul McAuliffe: This is why that was significant. Was it known that that project was delayed when the contract was awarded?

Mr. Paul Hendrick: Yes. They had completed the project a year later than the original contract . They had completed the project, albeit a year later.

Deputy Paul McAuliffe: Did that delay form part of the tendering process?

Mr. Paul Hendrick: It was assessed as part of the pre-qualification process.

Deputy Paul McAuliffe: Within a number of months by quarter three in 2020, Iarnród Éireann was already raising red flags and had concerns about the programme delays. Is that correct?

Mr. Paul Hendrick: Yes. We had concerns because of the fact they were moving to this version 3.0 of the product.

Deputy Paul McAuliffe: At that point, was any contact made with the unsuccessful bidder?

Mr. Paul Hendrick: No, not that I am aware of. I was not here at the time but I do not believe there was.

Deputy Paul McAuliffe: Was the NTA aware of any contact being made with the unsuccessful bidder after the contract was made?

Mr. Hugh Creegan: No.

Deputy Paul McAuliffe: Is correct that at no time were any proposals put to the unsuccessful bidder to try to partner with the successful bidder to deliver the project?

Mr. Paul Hendrick: No.

Deputy Paul McAuliffe: Mr. Creegan?

Mr. Hugh Creegan: I am not aware of any, no.

Deputy Paul McAuliffe: Okay. So, at that point, while Iarnród Éireann had concerns, it had confidence that Indra would be able to deliver the project.

Mr. Paul Hendrick: Based on the reassurance and the commitments given to us by Indra.

Deputy Paul McAuliffe: Let me take Mr. Hendrick through each phase. The baseline was reset on four occasions. Deputy Neville has gone through a useful chronology, as each year Iarnród Éireann was getting an amount of €10 million and €15 million. Will Mr. Hendrick talk us through the process of how that gets approved each year? What is the mechanism or what are the points where things are opened that Iarnród Éireann gets to review work done and approves spending to continue?

Mr. Paul Hendrick: Is this in relation to the contract or in relation to the financial statements?

Deputy Paul McAuliffe: The contract.

Mr. Paul Hendrick: If I could just talk about 2022-----

Deputy Paul McAuliffe: Who signs off on the work and who agrees the next plan of work?

Mr. Paul Hendrick: We do. Irish Rail does, as the client team.

Deputy Paul McAuliffe: Talk me through those timelines.

Mr. Paul Hendrick: If I could speak about commercial reset No. 1, I came into my role in September 2022. The project was over two years old at that stage. I encountered the project and the project team working with Indra with serious concerns. They were talking about the project sliding up to two years off programme with various debates going on around what the cause and issues were. One of the actions that I took with the team was to say that we needed to arrest this, it was at large, and we needed to put it under control. So, we went into a dialogue with Indra for three months, culminating in reset No. 1, which added five months to the completion programme - June 2024 to November 2024.

Deputy Paul McAuliffe: And costs.

Mr. Paul Hendrick: And there was an update to the start price.

Deputy Paul McAuliffe: Am I correct in saying that that was described as a charge on the contractor's account?

Mr. Paul Hendrick: No. It is the target price. We changed the target price by 8% with that. We had a five-month extension time, so we were still getting the project delivered by the end of 2024.

The benefits of doing that was it took a project that was at large where people were not operating to the original programme. They could not give clarity when milestones would be achieved.

Deputy Paul McAuliffe: On the review of baseline 1, was the NTA informed of that?

Mr. Paul Hendrick: Just to clarify, when we got to the point where we had something that we thought could be agreed between Indra and Iarnród Éireann, we brought that to the NTA. Before we executed it, we brought it to the NTA for its approval and we did not execute it until the NTA granted us the approval in early 2024.

Deputy Paul McAuliffe: On that basis, was Ms Shaw still hopeful at that point that the project could be delivered?

Mr. Hugh Creegan: Yes. We received the various proposals from Irish Rail and each time felt it was the right step to take.

Deputy Paul McAuliffe: There was baseline 1, baseline 2, baseline 3, baseline 4. By the time Irish Rail got to baseline 4, had Mr. Hendrick very low confidence in this project?

Mr. Paul Hendrick: May I just talk about the intermediate baselines?

Deputy Paul McAuliffe: Yes.

Mr. Paul Hendrick: In 2023, Indra, which it had a right to do under the contract, reset the programme. It moved it out twice. It moved the completion date from November 2024 to March 2025 and then, at the end of 2023, it moved it again, this time to August 2025, but that meant it was resetting to its account. In other words, we were not adjusting the target price or resetting the contract, and Indra was just advising us that it was going to be later than what we had agreed in commercial reset No. 1.

Deputy Paul McAuliffe: But-----

Mr. Paul Hendrick: That was causing us concern because of slippage on it. We were obviously looking for Indra to recover and find ways to deal with it, but when we came into summer 2024 - this was before we got to commercial reset No. 2 - the serious concerns we had were that the software we had been given to test was way short of the expectation.

Deputy Paul McAuliffe: This is where I want to get to. By July 2024, had Iarnród Éireann already considered replacing Indra?

Mr. Paul Hendrick: Yes, as a potential solution.

Deputy Paul McAuliffe: Am I correct in saying that Iarnród Éireann communicated that to the NTA?

Mr. Paul Hendrick: Yes, verbally in a discussion with the NTA.

Deputy Paul McAuliffe: At that time, was the NTA in contract or in tendering process in regard to the ticket management system?

Mr. Hugh Creegan: I think we would have been at the tendering stage. I cannot swear to that. Certainly, we were at the tendering stage.

Deputy Paul McAuliffe: I suppose what I am asking is whether there is an interplay here. When Irish Rail raised the concerns, was the NTA fearful of ending the relationship with Indra on the train management system because the NTA was about to embark on a relationship for the ticket management system?

Mr. Hugh Creegan: Absolutely not.

Deputy Paul McAuliffe: Was that not a consideration at all?

Mr. Hugh Creegan: It was not. It never was a consideration.

Deputy Paul McAuliffe: Okay.

Mr. Hugh Creegan: They were two separate projects and had to be managed appropriately in each case.

Deputy Paul McAuliffe: Does Ms Considine feel that, when she made the request to the NTA or when Iarnród Éireann started to consider replacing Indra, Iarnród Éireann had the support of the NTA on that or does she feel that the NTA was overly cautious?

Ms Mary Considine: We made decisions at our board on 22 June and we took those forward to the NTA for approval. Our understanding is we required the approval of the NTA to implement those decisions.

Deputy Paul McAuliffe: If the decision had been made in 2024 to end the contract with Indra at that point, would we have saved money as a result?

Ms Mary Considine: It is very evident from the schedules here that we would have saved money if the contract had been terminated.

Deputy Paul McAuliffe: Can Ms Considine quantify that for the committee?

Ms Mary Considine: I cannot comment. I was not here in 2024 but, obviously, if the contract was terminated at that stage-----

Deputy Paul McAuliffe: Can Mr. Hendrick quantify what might have been saved?

Mr. Paul Hendrick: It is hypothetical. Going back to Deputy Neville's comment on the €50 million writedown, a lot of the writedown is happening from 2021 onwards. That is where the majority of the writedown is. In summer 2024, our expenditure was probably €25 million less than the €150 million we were at at the end of December. It is a hypothetical. If you make a change at that time, you end up with a different synopsis.

Deputy Paul McAuliffe: Of course. Certainly, a sum in the multiple millions of euro could have been saved.

Mr. Paul Hendrick: Potentially.

Deputy Paul McAuliffe: I will go back to the support contracts. The idea that support contracts would be of equal value to the contract itself is a mind-blowing concept. Of the €30 million, would Iarnród Éireann be able to provide us with a list of the support contracts and the value of those contracts?

Mr. Paul Hendrick: Yes, we can. I suppose the principal ones were Ricardo Rail and Turas. They were in the order of €28 million, including VAT. What I should say-----

Deputy Paul McAuliffe: Then what is remaining would be-----

Mr. Paul Hendrick: Smaller ancillaries.

Deputy Paul McAuliffe: Were there any other contracts that would be in the range of €1 million or €2 million?

Mr. Paul Hendrick: There might be one or two, yes. I would have to come back to the committee with the specifics.

Deputy Paul McAuliffe: What role would they have held? What work would they have done?

Mr. Paul Hendrick: We brought in some extra project support staff to support us, and particularly the project director that we brought in in October 2025 to help us because of the level of challenge and difficulty.

Deputy Paul McAuliffe: What was the value of the contract for the project director?

Mr. Paul Hendrick: He is a freelance organisation so he has got a couple of staff with him. There is a budget there north of €2 million but it is not expended. It is probably a few hundred grands' worth of expenditure.

Deputy Paul McAuliffe: In 2025, a project director was appointed on a contract basis with a value of more than €2 million.

Mr. Paul Hendrick: Based on a projected forecast of supporting the project for the coming years because we are not going to finish this project any time in the next two to three years on the basis of the way we are going, plus some additional support staff. It is a provisional budget. It is not expended.

Deputy Paul McAuliffe: In a project that costs €150 million and may reach €250 million, I imagine the idea that an additional €2 million was set aside only a number of months ago while Iarnród Éireann was still dealing with the other issues would be concerning to members of the committee.

Mr. Paul Hendrick: I should say he is replacing other staff. There are other staff who have been dialled out of the project, from Ricardo Rail and from Turas. We have had staff changes on our side where people have left to take up other roles in other organisations, and one or two in other roles within the business. Given the length of the project, you are always going to have a certain level of churn. Staff are moving around in the capital projects function.

Deputy Paul McAuliffe: The €50 million can be an impaired asset. It can be written off but, in reality, it is not written off because it is not available for other services. I just think of the Luas figures in my own area. There is a price tag of €600 million on that. You are talking about €50 million, and perhaps more if the impairment grows. As for the scale of this, it is one of the biggest impairments of an asset that this company has ever seen. I am sure there are bigger, but it is very rare to see this scale of impairment. Given that we have come to the last day of term in the Dáil, there is a lot more that this committee needs to do on this issue.

Deputy Séamus McGrath: I thank the witnesses for being here. At the outset, I want to start in the here and now as opposed to looking back on the project. In its opening statement, Iarnród Éireann makes reference to the decisions taken at the board meeting in June. Ms Considine mentioned that she may not be able to provide full details, but what can she tell us about those decisions taken at the recent board meeting?

Ms Mary Considine: I thank Deputy McGrath. We have real focus now and it is about moving forward. I have said that there is huge regret that we find ourselves in this position as a collective and it is about now finding a way forward to deliver a train control system that future-proofs the network and minimises further exposure to the Exchequer.

We moved to act as early as we could to bring proposals to the board to get their support as a board - the board is very focused on this as well and very conscious of its obligation for taxpayers' money - and bring those decisions to the NTA for its consideration.

Deputy Séamus McGrath: Can Ms Considine give the committee some details of those decisions?

Ms Mary Considine: I cannot go into them but they are around the contract. The NTA has considered our decisions and agreed to the decisions taken.

Deputy Séamus McGrath: However, at this time, Irish Rail is still in contract with Indra.

Ms Mary Considine: Yes, we are still in contract and working through that but we are talking about a matter of weeks to resolve it.

Deputy Séamus McGrath: What are our financial obligations to Indra at this point?

Ms Mary Considine: I will ask Mr. Hendrick to come in on that. We believe that under----

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Deputy Séamus McGrath: It was touched on in a response to Deputy Neville earlier. There was a figure of €3 million so far in 2026.

Ms Mary Considine: There is €3 million spent on the contract so far in 2026. That was not paid to Indra. They are third-party costs and our costs.

Deputy Séamus McGrath: That is not a payment to Indra. That is third-party costs.

Mr. Paul Hendrick: Mostly, yes. We stopped paying Indra in February this year because of the way the contract works. It has hit the ceiling and no more payments have been due since then.

Deputy Séamus McGrath: We are not on the hook to Indra.

Mr. Paul Hendrick: We are not paying it at the moment under the contract because we have no obligation to pay it. It is making claims under the contract, but, so far, we have not established any entitlement to those claims.

Deputy Séamus McGrath: Did the NTA agree to the decisions made at the board meeting in June?

Ms Anne Shaw: Yes.

Deputy Séamus McGrath: However, we do not know the nature of those decisions and Iarnród Éireann is not in a position to tell us about them.

Ms Mary Considine: We are not. The Deputy will appreciate that the last thing we want to do is compromise-----

Deputy Séamus McGrath: The decisions are about the contract with Indra.

Ms Mary Considine: Yes.

Deputy Séamus McGrath: Will Ms Considine give a high level breakdown of the headline figure for the writedown value of €50 million? She mentioned the €28.2 million on software.

Ms Mary Considine: Yes, I can. Some €28.2 million relates to Indra, €8.5 million of the third-party costs relate to Turas and €6.76 million relate to Ricardo, and the other €2 million is for SET and ICT enabling works. However, the majority of it is the first three items, the TMS with Indra and the €8.5 million and €6.76 million for the two specialist service providers.

Deputy Séamus McGrath: I will go back to the money spent so far this year. Is there further expenditure to come on obligations that have to be met, which will be effectively wasted? Are there still obligations to pay money to third parties or others?

Ms Mary Considine: There will be work even supporting the review the NTA is carrying out and there will be work in implementing the decisions we have taken. However, we are talking about minimising it and working at the earliest to deal-----

Deputy Séamus McGrath: Can Ms Considine give us a value? We have the value of the report. I think €230,000 roughly was mentioned. What additional funds are still to be spent to close this out as a project to meet obligations that will not result in anything other than totting up more on the €50 million writedown?

Ms Mary Considine: I believe - correct me if I am wrong - that we have moved to significantly reduce the resources involved in this and minimise the costs.

Deputy Séamus McGrath: I understand that, but will Ms Considine give us some sense of it?

Ms Mary Considine: There is still probably a couple of hundred thousand of euro per month.

Deputy Séamus McGrath: A couple of hundred thousand of euro per month.

Mr. Paul Hendrick: I will go back to the question. We still need to complete the project with whatever solution we land on and that will take a number of years.

Deputy Séamus McGrath: I understand the project has to be completed. That is not wasted money, in the sense that it has to happen. What is the element that will close out the wasted phase of this?

Mr. Paul Hendrick: I would say it is a few hundred grand per month, maximum for the next couple of months. Then, when we move to the final solution to deliver the project-----

Deputy Séamus McGrath: The €50 million is, therefore, going to grow.

Mr. Paul Hendrick: Yes, a bit, but it will stop, based on the decisions-----

Deputy Séamus McGrath: It could grow to €50.5 million.

Ms Mary Considine: The €50 million was an impairment figure written off on the balance sheet. There are ongoing current costs.

Deputy Séamus McGrath: My point is Irish Rail has not closed out this yet.

Ms Mary Considine: We have not.

Deputy Séamus McGrath: Therefore, there will be additional expenditure to close out the wasted phase of this. Irish Rail accepts that.

Ms Mary Considine: Yes.

Deputy Séamus McGrath: It is not in a position to say how much it will be, but it will be several hundred thousand euro.

The need for the TMS was identified and the contract was signed in 2020 to be delivered in 2024. It is not there. What is the current state of the TMS?

Ms Mary Considine: For the current TMS, we are using old technology. It is more than 20 years old and it will no longer be supported. That was the reason for moving to start this project in the first place but, in the interim period, once we knew the principles testing was not succeeding on the current version we had from Indra, we moved to look at a plan B around obsolescence to de-risk the greater Dublin area initially.

Deputy Séamus McGrath: Is the current system functional and safe?

Ms Mary Considine: The current system is safe. As I explained earlier, it is fail-safe. We will stop operations, but we will not compromise safety.

Deputy Séamus McGrath: What is Irish Rail stopping?

Ms Mary Considine: If there were a breakdown in the technology in the morning, it would have an impact on operations. We had a failure at the end of May.

Deputy Séamus McGrath: There are operational implications.

Ms Mary Considine: Yes, there are operational implications, but not safety implications.

Deputy Séamus McGrath: Service delivery will be impacted by a failure.

Ms Mary Considine: If we had not moved to de-risk the obsolescence risk, which we have now moved to do in the greater Dublin area. We need to look at a solution for the whole country.

Deputy Séamus McGrath: Where is Irish Rail in terms of replacing that system? It is trying to close out the Indra project. It needs a traffic management system. Where is it on delivering one?

Ms Mary Considine: All the decisions are interrelated so once we work through the next few weeks, we will engage with the NTA and the Department as our funders to secure funding for the way forward. We have a proposal to move forward.

Deputy Séamus McGrath: Does Irish Rail have an estimated cost for what it will take to get to a traffic management system that is modern and up-to-date?

Ms Mary Considine: We do, but for commercial reasons - we are in discussions - I cannot disclose that figure here.

Deputy Séamus McGrath: Can I have a ballpark figure?

Ms Mary Considine: Unfortunately, I cannot say, because I do not want to compromise----

Deputy Séamus McGrath: Will it be tens of millions of euro?

Ms Mary Considine: It will be a significant figure but I cannot disclose it because we want to preserve commercial integrity.

Deputy Séamus McGrath: Will it be in the order of the €50 million writedown?

Ms Mary Considine: I am not in a position to say, unfortunately.

Deputy Séamus McGrath: It will be a significant sum.

Does Iarnród Éireann have a timeline for when it hopes to get an updated traffic management system?

Ms Mary Considine: We do. We are hopeful the obsolescence provisions can be addressed in 2027-28 and then we will move to complete the traffic management system by the end of the decade.

Deputy Séamus McGrath: We were due to have it by the end of 2024 but it will be 2030 at the earliest, from what Ms Considine said.

I will turn to the implications for budgets. With respect, Ms Considine kind of skirted around the implication for other projects earlier. This will have significant implications for other projects overseen by the NTA and Irish Rail. There is a €50 million writedown and to replace the TMS will cost an unknown amount but it will be a sizeable figure, as Ms Considine

said. The money has to come from somewhere. Let us be honest about that. What will it have an impact on? Will the NTA address that point as the approving authority?

Ms Anne Shaw: We will have to look at it across the whole portfolio across the rail network to understand what is safety critical, what capacity is and so on and then work out what we will need to change in delivery timescales-----

Deputy Séamus McGrath: It is going to have implications for projects.

Ms Anne Shaw: The replacement of the traffic management system, as Ms Considine said, is a requirement so we have to make sure we can deliver it within the timeframe that has been set out. Then we will take that into consideration. Once we understand what that delivery is and its costs, we will need to do a review of the rest of the portfolio to be able to understand the impact.

Deputy Séamus McGrath: Ms Shaw mentioned the review that is costing almost €250,000. What is its aim?

Ms Anne Shaw: Is the Deputy talking about the EY review that has been commissioned by the NTA?

Deputy Séamus McGrath: Yes.

Ms Anne Shaw: It is to look back at the governance, decision-making and controls of the project from pre-procurement to where we find ourselves today. It will give us information about how the project was managed, how the governance was organised-----

Deputy Séamus McGrath: Respectfully, is there not enough ability within Iarnród Éireann and the NTA to sit down and figure out what went wrong here without bringing in a third party at a cost of €250,000, adding to the overall waste of public money? Is there not enough expertise within the organisations to pinpoint where things went wrong?

Ms Anne Shaw: As I mentioned in reply to a question earlier, it is always valuable to have an independent view, particularly so the organisations are not accused of not putting all the information into it.

Deputy Séamus McGrath: Are the terms of reference for the review such that there will ultimately be some accountability for what went wrong?

Ms Anne Shaw: There will be a series of findings and recommendations and both organisations will deliver against those recommendations, working with our colleagues in the Department of Transport.

Deputy Séamus McGrath: In this whole fiasco, it seems there is Iarnród Éireann, the NTA and the Department of Transport and everyone is responsible, but no one is responsible. Where does the accountability fall for this?

Ms Anne Shaw: There is accountability at different stages of the project. There is accountability in Iarnród Éireann for the delivery. There is accountability in the NTA for the approvals and oversight of the project and accountability in the Department for the overall programme.

Deputy Séamus McGrath: There is effectively no accountability. All parties here have said that it predates their time in office, so ultimately there will be no accountability for this.

Ms Anne Shaw: There are certainly people who will take responsibility and accountability for this project, particularly in moving this project forward.

Deputy Séamus McGrath: Finally, regarding the NTA, I have to say I have serious concerns about the organisation as a whole. We have constant correspondence between this committee and the NTA. We just have to look to the electric buses and the whole debacle over their storage, and the Busconnects project in Cork with €75 million spent on that alone and effectively very little to show for it. We have ongoing issues relating to bus reliability that have been highlighted for years now, and we seem to be making no progress with them.

The NTA is currently pumping out replies to anyone who asks about the delivery of new services that it does not have funding for it, and is pointing the finger to the Department of Transport, yet we are here today discussing a monumental waste of public money. There are serious governance and management issues with the NTA that have to be addressed.

Would the witnesses like to comment on that?

Ms Anne Shaw: I take the points the Deputy has raised quite seriously. However, there has been an element of delivery across the projects to move them forward within the project life cycle. We have continued to work through decisions around the capital programme and with the Department of Transport in planning for new services as part of Busconnects. There is always expenditure before you do the infrastructure delivery, etc., to make sure we are delivering the right thing, but those projects are moving forward and will deliver benefits for this country in terms of sustainable public transport access.

Deputy Séamus McGrath: Thank you.

Mr. Tomás Campbell: Briefly, on the PSO point, for the PSO budget this year we got a 43% uplift from the Department of public expenditure, which puts us at a much better baseline in 2027. In the NTA's defence, part of the budget setting was that there would not be new services this year and it would be a year of consolidation. The Minister, Deputy O'Brien, has been clear on that as well.

In the past, we have rolled out new services, particularly with driver availability and the availability of electric buses, which the Deputy mentioned, but this year is about catching up. As part of the budget negotiations in October for 2027, we will be advocating for additional funding for additional services next year, but this year has been to try to consolidate the services.

Deputy James Geoghegan: I thank all the witnesses for being here today. Am I right in saying the original project budget for the national train control centre was €148 million?

Ms Anne Shaw: Yes.

Deputy James Geoghegan: In the NTA 2024 accounts, it was estimated the project cost had increased to €189 million, which constituted a 28% cost overrun. Is that correct?

Ms Anne Shaw: Yes, that is correct.

Deputy James Geoghegan: In the document the witnesses have supplied for us today, it states, "indicating an optimistic best case of forecast outturn cost." They are now saying it is going to cost €250 million, which would represent a 70% increase on the original budget. What does the NTA attribute that cost increase to?

Mr. Hugh Creegan: That comment in the briefing note is a briefing given to the Irish Rail board. That figure of €250 million is not settled yet. As it was mentioned earlier, we still have to work through what the next stage of the project is. We will then have a firm figure, but we do not have that yet.

Deputy James Geoghegan: What is the provenance of that €250 million figure?

Ms Mary Considine: As I said to Deputy McGrath earlier, we are considering all these and, in a matter of weeks, we hope to have more certainty. However, I cannot confirm the figure at this stage. I think that figure was a rough order of magnitude.

Deputy James Geoghegan: Hold on. The witnesses supplied documents to this committee and told us it was €250 million. I have a very simple question: what is the provenance of that €250 million figure, which is €60 million more than the figure given to us at the end of 2024? Can Ms Considine even explain that €60 million increase?

Ms Mary Considine: I understand the reference to the €250 million figure was an outer range, if the project was to continue over the next number of years. It is not a figure that relates to where we are today and what would be required.

Deputy James Geoghegan: How did the NTA get to that figure?

Ms Mary Considine: I might hand that over to Mr. Hendrick.

Mr. Paul Hendrick: In reference to the €189 million figure, we put forward a range a few years ago when we were working through the project with Indra and were expecting to complete the project with Indra, but obviously later than planned. Commercial reset number two put us into the 2027 completion timeline and we did a risk assessment against how late it may be against that.

We did a project range forecast of €175 million to €205 million, which is where the €189 million comes from; it is the midpoint.

Deputy James Geoghegan: Can Mr. Hendrick tell me how we are now at €250 million?

Mr. Paul Hendrick: The source of this goes back to the lack of a developed product from Indra, which is driving the project delays. That €250 million, which is in our briefing note, is an indicative estimate. It is just extrapolating based on time. It is the time delay to complete the project and the level of resource effort that would likely be required to complete the project. That is what it is driven by.

Deputy James Geoghegan: As for the resource effort Mr. Hendrick is talking about there, is that buying a new TMS software project from a new supplier? The NTA estimates that will cost €60 million.

Mr. Paul Hendrick: That is provisional because we have not got to the final decision on the way forward.

Ms Mary Considine: Basically, that was based on Indra continuing over an elongated period.

Deputy James Geoghegan: The witnesses are both saying completely contradictory things. One is saying that relates to the acquisition of new software, while the other is saying it relates to Indra. Which is it?

Mr. Paul Hendrick: The briefing document, as it was done at the time, was on the basis that if we stayed going with Indra, albeit without any predictability of where it was going to finish, it could end up in that particular zone or territory. We have not finalised that way forward yet, so we cannot-----

Deputy James Geoghegan: I just asked Mr. Hendrick a moment ago if that related to the acquisition of a new TMS software, and he said "Yes". He nodded as I was speaking to him.

Mr. Paul Hendrick: Either way, we are going to have expenditure more than the €205 million we indicated in that range, whatever way we go forward with the project, because the project is going to finish significantly beyond 2027.

Deputy James Geoghegan: I said that is €60 million more, and that figure the NTA has talked about is for the new software it is potentially going to have to acquire-----

Mr. Paul Hendrick: There will be costs to that new software.

Deputy James Geoghegan: The NTA has estimated that at €60 million.

Mr. Paul Hendrick: No, we do not have a final figure for that.

Deputy James Geoghegan: I did not say the witnesses had that final figure. I said the figure the witnesses have given us, and by the way, I am only questioning figures they have given us-----

Mr. Paul Hendrick: Yes, exactly.

Deputy James Geoghegan: That is all I am doing.

Mr. Paul Hendrick: That figure relates to Indra.

Deputy James Geoghegan: It does not relate to any future costs the NTA would need to acquire new software.

Mr. Paul Hendrick: It does not, because we have not got to the final decision or solution there. We still need to finalise what that will be and those figures, so that figure does not relate to it.

Deputy James Geoghegan: What is the point of the €250 million figure? What is the NTA trying to tell us?

Mr. Paul Hendrick: If the project continued with Indra, albeit with no definitive timeline. We did an estimate for the board at that time, when we put that into the document, of where this could end up if the project continued with Indra beyond 2030.

Deputy James Geoghegan: If the project continues to not deliver the software the NTA needs.

Mr. Paul Hendrick: If the project continued to deliver and was completed as per originally planned, albeit much later.

Deputy James Geoghegan: It would go to €250 million.

Mr. Paul Hendrick: It could.

Deputy James Geoghegan: If the contract with Indra is terminated, what do the witnesses think the cost will be?

Mr. Paul Hendrick: We cannot say the definite number at this time because we have not got the final decision agreed on how we would move forward with that. We will have to finalise that figure.

Deputy James Geoghegan: According to *The Irish Times* and the letter Irish Rail sent to the NTA, the plan is to look for an exception outside the normal rules of public procurement and get Siemens Mobility to provide the TMS service. That is what was reported in *The Irish Times*. That is Irish Rail's plan but it needs approval, is that correct?

Mr. Paul Hendrick: I do not think we can go into that. It goes back to-----

Ms Mary Considine: It is unfortunate that things are covered outside of process, but we have to follow the process and preserve the legal and commercial integrity of the discussions that are currently-----

Deputy James Geoghegan: It is the NTA's plan to look outside of public procurement to replace the software, is that not correct?

Ms Mary Considine: At present, we have proven in-use technology on our network that is capable and is part of our strategy to de-risk the obsolescence risk in this area, which is an option going forward. However, we cannot prejudge what will happen over the coming weeks.

Deputy James Geoghegan: Obviously, if you issue a notice, that is a public notice and will be published on eTenders or whatever, if Irish Rail is looking to go outside the public procurement rules. Mr. Hendrick mentioned earlier he was advocating that, in certain circumstances, going outside the tender rules could be a better outcome for the delivery of software. This was reported in *The Irish Times* with reference to the letter. We are sort of dancing around a pin here. That is the plan. Whatever about Siemens - maybe the witnesses cannot talk about that - the plan is to go outside public procurement to replace the software. The witnesses can say that, can they not?

Mr. Paul Hendrick: I do not think it is strictly correct to say it is outside of public procurement, *per se*.

Deputy James Geoghegan: Sorry, the witnesses are looking for a lawful exception to go outside the standard. The NTA is not going to issue a tender; it is going to directly engage. It is going to do it in a different way through the existing public procurement rules.

Mr. Paul Hendrick: We are looking at different routes and avenues to it, but I have to go back to the comment from my colleague earlier about the whole thing.

We are still in contract with Indra-----

Deputy James Geoghegan: Going back to the original contract, is Mr. Hendrick familiar with the term "abnormally low pricing bid"? He indicated that the bid was 50% lower than the other bid that Indra was-----

Mr. Paul Hendrick: If I may just correct myself, because I misspoke earlier, the unsuccessful tender was 50% higher. Technically, it is just to do with the percentage-----

Deputy James Geoghegan: That is okay, but it was a very big differential.

Mr. Paul Hendrick: There was a differential between them.

Deputy James Geoghegan: An enormous differential.

Mr. Paul Hendrick: Sizeable, yes.

Deputy James Geoghegan: Well, it is not prescribed but, typically, as I understand it, an abnormally low bid would be between 15% and 20%, but Mr. Hendrick said it was 50%.

Mr. Paul Hendrick: If I may just say this, because I have to be careful around the commercial sensitivities of that information as well, we have the NEC contract model, so we were able to have full insight into how those prices were made up in a way you might not see in other contract models. The differential was driven by the fee approaches that the bidders took. One bidder had a similar cost base, if that makes sense, but how they marked up their cost to generate their price was very different from the successful tender-----

Deputy James Geoghegan: Nevertheless, it was 50% more.

Mr. Paul Hendrick: As a total, it was of that order.

Deputy James Geoghegan: Mr. Hendrick knows the legal obligations that apply to contracting authorities when an abnormally low tender bid happens. Was an investigation carried out at the time?

Mr. Paul Hendrick: It was investigated. It was assessed. We do a normalisation process to work through that. Based on the visibility of the prime cost of the work for both bidders, they were both in a similar range, but it was the fee differential that was different. We worked through a process to satisfy ourselves that it did not meet the legal standard for abnormally low. That was the procurement decision that was reached and that led to the contract award.

Deputy James Geoghegan: In respect of the issue Mr. Hendrick raised about the two versions of the software, he said that Iarnród Éireann had examined it and that, legally, Indra was not in breach of contract. Obviously, Iarnród Éireann sought or relied on legal advice in the context of examining this issue.

Mr. Paul Hendrick: I was not in this position at the time but, in terms of my understanding of what the project team went through, we assessed it with the project team, the engineering professionals on the project and the people who were working to manage the contract. I cannot say whether there was legal advice taken on that particular decision. I would have to come back to the Deputy on it.

Deputy James Geoghegan: But Mr. Hendrick indicated earlier that, legally, it was not a breach of contract.

Mr. Paul Hendrick: There are project professionals. Some of them are not lawyers, but they are-----

Deputy James Geoghegan: Mr. Hendrick does not know yet whether Iarnród Éireann has assessed whether that constitutes a legal breach of contract.

Mr. Paul Hendrick: The assessment decision was made by the project team at the time, including by people who are there to professionally manage the contract, not necessarily lawyers. We do not have lawyers working in project delivery, let us say, but they are still responsible for managing the contract, managing claims, deciding whether a claim has entitlement or not, establishing whether there is a breach of contract. This is normal with all our projects. In certain cases, depending on the situation, we also take legal advice. I cannot say whether-----

Deputy James Geoghegan: My time is short, so I will ask just one final question. The restart agreement was a sort of contract agreement at the end of 2024 between Iarnród Éireann and Indra based on all the deliberations, is that correct? Iarnród Éireann agreed to the restart agreement and six months later identified problems. Going forward, is Mr. Hendrick concerned that Iarnród Éireann has sort of lost its right to moan about everything that went wrong before the restart agreement in the context of any future recourse it may wish to take? Is that going to prove problematic for it as the contracting authority?

Mr. Paul Hendrick: I go back to a comment from my colleague earlier. We are still in contract with Indra. This is all commercially and legally sensitive, so it is difficult for me to--

Deputy James Geoghegan: During this hearing and in the documents he has provided, however, Mr. Hendrick has identified several moments when challenges, concerns and red flags arose. He has put all that out there. Once Iarnród Éireann executed a new agreement with Indra, is Mr. Hendrick concerned that it might be problematic into the future in terms of any recourse Iarnród Éireann might have against Indra?

Mr. Paul Hendrick: It depends.

An Cathaoirleach: I thank Deputy Geoghegan. I will ask some questions. Six years after the initial contract and two years after the full implementation of the TMS was due to be delivered, how much has actually been delivered? We know it was broken up into different CPs. CP1, for example, represented what percentage of the entirety of the contract?

Mr. Paul Hendrick: CP1, which was the Rosslare line, was about 3% of the overall-----

An Cathaoirleach: About 3%.

Mr. Paul Hendrick: Yes. It is about 6% of-----

An Cathaoirleach: In terms of complexity, that was the easier part to implement. We are talking about a write-down of €50 million, which is growing, and other costs, which I will get into in a moment, and we have not even seen 3% delivered.

Mr. Paul Hendrick: That is correct.

An Cathaoirleach: We talk about red flags and interventions. That speaks volumes. As regards the contract with Indra, Ms Considine stated that the company has embarked on a legal process. Has Indra been informed legally that the contract is going to be terminated?

Ms Mary Considine: As stated earlier, we really cannot go into that. We are still in contract with Indra and-----

An Cathaoirleach: We are dancing on the head of a pin here. A decision was taken by the board-----

Ms Mary Considine: Decisions have been taken and-----

An Cathaoirleach: -----of Irish Rail, supported by the NTA, and we cannot say what was involved.

Ms Mary Considine: We would have confirmation of the support of the NTA on Monday afternoon, so we need to work through that. The Cathaoirleach will appreciate that it is only Thursday.

An Cathaoirleach: Has ministerial consent been asked for or is ministerial consent needed?

Mr. Tomás Campbell: At this point, no. Ms Considine mentioned the resilience measures. Because of the delays relating to the traffic management system, which had two parts, which were to deliver a traffic management system for the country-----

An Cathaoirleach: Has the Minister given approval to terminate the contract?

Mr. Tomás Campbell: No. Ministerial approval would not be required, but the Minister has approved resilience works through the infrastructure-----

An Cathaoirleach: I will get to that in a minute. I want to talk about the decision to seek a capital investments lead on the project. Whose decision was it that capital investments in Irish Rail would lead out on this?

Mr. Paul Hendrick: It would have been the CEO at the time.

An Cathaoirleach: In light of your experience in capital investments, you might give us some examples of IT projects that capital investments delivered successfully in the years prior to the decision to enter this contract.

Mr. Paul Hendrick: Capital investments is primarily delivering all the new railway infrastructure projects and rolling stock projects-----

An Cathaoirleach: Physical infrastructure, engineering projects-----

Mr. Paul Hendrick: -----and that includes signalling. I want to make this distinction, because it is really important. The train control system is a signalling project. It involves-----

An Cathaoirleach: What IT experience existed in capital investments?

Mr. Paul Hendrick: May I just say, it involves hardware and software. We are dealing with hardware and software and other signalling projects, which we are delivering to plan. This is not an IT project. I appreciate that it has the hallmarks of one because of what it has become, but it is a signalling project - a signalling system. Because of the difficulties-----

An Cathaoirleach: A signalling project that heavily depended on IT and technology.

Mr. Paul Hendrick: There is hardware and software in every signalling project, but you should not have an IT-type project delivery when you have a developed signalling product----

An Cathaoirleach: What specific IT experience-----

Mr. Paul Hendrick: Capital investments are not an IT delivery organisation, and we were not delivering IT projects. I want to make that clear.

An Cathaoirleach: Who would be the person within Irish Rail who would have the competent head of technology?

Ms Mary Considine: Technology sits in a number of areas. There-----

An Cathaoirleach: Who is the competent head?

Ms Mary Considine: We have a chief information officer, CIO, for the organisation who would look after all the infrastructure.

An Cathaoirleach: What role did the CIO play?

Ms Mary Considine: He would have sat on the initial project board. I can confirm that afterwards. We also have operational technology that, as my colleague Mr. Hendrick said-----

An Cathaoirleach: The information I have is that the competent head was never involved in the project from the very start right through to design to tender to project management, or, indeed, in the intervening years. You might come back to us-----

Ms Mary Considine: I will come back and clarify. That is fine.

An Cathaoirleach: -----if you want to contradict that. It has been reported that payment to Indra stopped in April?

Mr. Paul Hendrick: It was February.

An Cathaoirleach: February. There is a claim by Indra. A figure of €5.67 million has been put out there. What is the timeframe relating to that claim.

Mr. Paul Hendrick: Indra has raised a number of claims relating to the period 2025 to 2026. We have assessed the claims that have been submitted and they have been rejected as lacking entitlement under the contract.

An Cathaoirleach: All claims have been rejected.

Mr. Paul Hendrick: They have been professionally assessed. We have assessed them thoroughly against the contract and we have rejected them.

An Cathaoirleach: There is no outstanding claim for €5.67 million.

Mr. Paul Hendrick: There is a claim there. We have rejected it but Indra has not rejected our rejection of its claim thus far. I am not saying it will not reject our rejection. If it wants to do so, it is entitled to under the contract. All I am saying is that it has not done that yet.

An Cathaoirleach: On the cost, we know there was a write-down of €50 million. The witnesses have touched on the existing train management system in Connolly Station. Over €6 million in funding has been allocated. Is that to strengthen the system or what is it to do?

Ms Mary Considine: That funding was made available through the Department of Transport to allow us to address the obsolescence issues.

An Cathaoirleach: How much funding was provided?

Ms Mary Considine: It is in and around the figure the Cathaoirleach mentioned for this year.

An Cathaoirleach: It is €6 million for this year. What is it for next year?

Ms Mary Considine: I cannot give a figure for next year.

Mr. Tomás Campbell: Iarnród Éireann submitted a proposal to us for about €20 million over three years for that work.

An Cathaoirleach: That is €20 million over three years.

Mr. Tomás Campbell: It proposed €20 million over the next three years but we have only given approval for the first year of the project. While we recognise the importance of the resilience works, we did not want to pre-empt the software testing phase with Indra and any subsequent decisions around the TMS more generally. At this point-----

An Cathaoirleach: This €20 million is to shore up a 20-year-old system that is outdated----

Mr. Tomás Campbell: No.

Ms Mary Considine: No.

An Cathaoirleach: -----and that was due to be replaced.

Mr. Tomás Campbell: It is not. It is to deliver a new system that will-----

An Cathaoirleach: It is for a completely new system.

Mr. Tomás Campbell: -----work in parallel with the old system. The benefit of that is that it gives us greater redundancy in signalling in the greater Dublin area. It will support the direction of the DART+ programme. It also frees up some spare parts from the older obsolete system at Connolly Station so it gives us more resilience across the entire network. That system is no longer supported and we are running out of spare parts. Over the next three years, we will see a signalling solution in Dublin and greater resilience across the entirety of the network.

An Cathaoirleach: There are further concerns in relation to a new signalling system in Cork that is due to come into being in August 2027. According to the minutes provided by Irish Rail, if there is a delay to the commissioning date for the Cork signalling system, it could lead to additional costs on the project, including contractor delay claims and internal and external project management claims of up to €800,000 per month. That system depends on a train management system being in place to underpin it. Will the witnesses give us some reassurance? The necessary TMS was to be the system Indra was going to deliver, which is now clearly not going to happen. What reassurance can the witnesses give us that a system will be in place to ensure there are no financial penalties in relation to that particular signalling system?

Ms Mary Considine: Part of resolving where we are at the moment and moving forward is looking at how we can deliver a train control system for the entire country. As Mr. Campbell has said, with the benefit of funding from the Department, we are able to address the greater Dublin area. We now need to look at a solution for the whole country. The Cork area commuter rail project is a critical project. We do not want to have to delay or implicate that.

An Cathaoirleach: We have just over 12 months.

Ms Mary Considine: We are looking at options.

An Cathaoirleach: We have just over 12 months. Can you give us assurance that a system will be in place to underpin that new signalling system, which is due to commence in August 2027, to ensure no financial penalties are imposed?

Ms Mary Considine: That will be a key consideration of ours. We will obviously be putting forward a case for funding to secure that.

An Cathaoirleach: There is no funding and no one in place to deliver that. Am I right in saying there are penalties of up to €800,000 written into that contract in addition to other financial considerations? We are facing serious financial repercussions if we do not have a system in place by August 2027.

Ms Mary Considine: The Cathaoirleach is right that there will be costs if we do not come up with a solution but, as he has said, there are 12-----

An Cathaoirleach: There will be costs to the tune of €800,000 a month.

Ms Mary Considine: That was an estimated cost. The key thing here is that, as you have rightly said, we are 12 months away. There are options and we need to make sure they are put in place to avoid that cost.

An Cathaoirleach: Are you confident we will avoid that cost?

Ms Mary Considine: We will do everything we can to-----

An Cathaoirleach: There is no confidence there.

Ms Mary Considine: I cannot guarantee the funding but that is certainly our intention.

An Cathaoirleach: We have written off €50 million. That is wasted. Some €20 million is being provided for a system for the greater Dublin area, which is only necessary because of the failure to deliver the TMS. There are further financial considerations next year because of this failure. The millions are ratcheting up here constantly. That is before we actually move towards putting in place a TMS.

Ms Mary Considine: To clarify, that is a TMS. The work we are doing in the greater Dublin area is a traffic control system. If we come up with a solution for Cork, it will be a permanent solution. This is not wasted money. It is the solution.

An Cathaoirleach: I want to talk about the rest of the country outside the GDA. One of my colleagues touched on potentially giving a contract directly to Siemens. I believe Siemens withdrew from the initial tendering process. I would have concerns about bypassing normal procurement rules. Anyone looking to deliver a train management system has the State over a

barrel. I would have serious concerns that anyone looking to deliver such a system could just name their price. I might ask the Comptroller and Auditor General's office for a view on concerns relating to bypassing a normal procurement process and awarding a contract of such a nature directly.

Ms Colette Drinan: I am obviously not going to comment on Iarnród Éireann and its operations specifically. In procurement, openness, transparency and competition are needed to underpin value for money. That is the standard. In exceptional circumstances, stepping away from that can be justified but a very clear audit trail would be necessary. It is a complex matter. There would be a need for legal advice and so on to underpin it.

An Cathaoirleach: I would have serious concerns that any prospective deliverer of a TMS will have the State over a barrel because of the situation Irish Rail finds itself in. I will touch on another couple of areas quickly. Have people been recruited to work in the national control centre? How many staff does Irish Rail currently employ in that centre?

Mr. Paul Hendrick: We have a number of operations. We control a number of aspects of the railway from the national control centre. These include control of the overhead powerlines for the DART network, some of the CCTV systems, level crossings and a part of the network on the Sligo line. That is as was always planned. That has been delivered because it was not dependent on the Indra project. There are a number of staff in there. We would have to come back to the Cathaoirleach with the number. It is low because it is not the full complement.

An Cathaoirleach: I have seen some of the recruitment advertising. The figure I have been given is that up to 30 staff have been recruited over the last two years to work on the signalling system and the TMS. Were any people employed specifically to be trained to operate the TMS?

Mr. Paul Hendrick: We would have employed some people in preparation for CP1 going live.

An Cathaoirleach: How many?

Mr. Paul Hendrick: I would have to come back to the Cathaoirleach. I do not have the number to hand.

An Cathaoirleach: Are they still in employment?

Mr. Paul Hendrick: Yes, my understanding is that whoever we have employed-----

An Cathaoirleach: There are people sitting in the national control centre twiddling their thumbs and waiting for Indra to deliver CP1.

Mr. Paul Hendrick: No. They are controlling what can be controlled from the NTCC building at the moment based on the assets that are being managed from the building today. We have obviously scaled back recruitment. Until we have certainty on the programme, we need to look at staff-----

An Cathaoirleach: Could that figure be up to 30 staff?

Mr. Paul Hendrick: Is the Cathaoirleach asking about all the staff who are in there today across 24-7 operations?

An Cathaoirleach: I am asking about staff working on that kind of-----

Mr. Paul Hendrick: It could be but I would have to come back to you on it. There would not be 30 on any given shift. There would be a smaller number on a standard shift. We would have to come back to you.

Ms Mary Considine: To clarify, a number of the control desks have migrated in there, as Mr. Hendrick was saying. There are staff working on those desks on a 24-7 basis. They are using the existing technology, however.

An Cathaoirleach: There has been a considerable cost. Some of these staff would have been trained up on the TMS and CP1.

Mr. Paul Hendrick: That is limited. We had to scale that back given the programme difficulties with Indra. We only have the staff there to manage what is currently being managed and controlled from the control room.

An Cathaoirleach: You might come back to us with more information on the costs associated with that. We will go back to the members. With the agreement of the witnesses, we will open it up for a second round of five minutes per speaker.

Deputy Grace Boland: The drip feed of information we have received about this project is not acceptable. It is essential that we get clear and transparent information from the NTA, Irish Rail and the Department on this and all other projects.

When we look at the governance structure of this project, it was more complicated than a small multinational, yet the only entity in this whole fiasco that seems to have been raising red flag, particularly since 2020 and seriously from 2022, was the sponsoring authority. Why did the NTA not step in earlier and resolve this issue? Why did the Department not step in earlier? It is simply not good enough.

Mr. Hugh Creegan: The NTA has been actively involved over the past four years as the problem arose. It was not the case of us being blind to it. At various points along the problem cycle, we made joint decisions with Irish Rail as to what should happen and that has been the case for the past two years. It has not been the case that we have been blind to it.

Deputy Grace Boland: Reading between the lines and reading Irish Rail's submissions and the numerous times it raised issues with the NTA, it was screaming, "Help, get us out of this; help, we need to terminate this", at the NTA. The decision - the joint decision apparently - always seemed to continue, that we would throw millions more at this project. What does that say about the NTA's oversight?

Mr. Hugh Creegan: At each point, we had a particular issue to deal with. We did grapple with the choices and, as the Deputy can see, impairment and all the consequences are really big issues. With Irish Rail, we looked at the alternatives. There was a major meeting with Indra in 2024 where we demanded an immediate plan to remedy the project. We did get a plan off it that seemed credible and we proceeded with that. Ultimately, it did not deliver. Last year, a report from WSP identified something that could deliver this but it would need to be done in a different way with a series of recommendations. Together with Irish Rail, we sought to do exactly that so at each point along the project, we have tried to rescue it.

Deputy Grace Boland: That is the point. It was clear to me a year ago, and I was not even in the weeds of it a year ago, that this project was failing when I started questions about it. The NTA was in the weeds of it so it should have been clearer to it much earlier.

I want to move on because we have not even reached the buses. Is the NTA acquiring buses? Is it the approving authority or the sponsoring authority or both? I am so confused by the various different blurred lines of the far too many hats worn by the NTA.

Mr. Hugh Creegan: When it comes to buses, it is crystal clear. We purchase the buses.

Deputy Grace Boland: Which means it is the sponsoring authority. Who is the NTA's oversight authority?

Mr. Hugh Creegan: In the case of BusConnects, we set an internal programme board with-----

Deputy Grace Boland: Who does it report to? The NTA probably.

Mr. Hugh Creegan: No, we have external members and our board is chaired by an external person. That board acts as the approving authority for certain decisions of the project.

Deputy Grace Boland: Who does that board report to?

Mr. Hugh Creegan: Ultimately, we all report to the Department of Transport.

Deputy Grace Boland: We need to get back into that again in September. In terms of the position the Department and the NTA seem to be taking on the buses, that we are saving money by having buses sitting in storage, as has been said in the Dáil and the documents provided here today, we need to see a very detailed cost-benefit analysis of how the Department is coming to that conclusion. It leads me to believe that the indexation of the inflation clauses in the framework agreement are far too generous. This needs to be looked at by the Department.

In terms of the planning, I refute the contention by the NTA that you cannot plan the planning phase of the delivery of the electric grid charger at the same time as ordering buses. It should not be a case of one after the other, which seems to be what the NTA is saying it should be. The NTA should know how long it is going to take in each local authority for it to obtain the planning permission and then order the buses based on that. It is not rocket science. Some of the stuff in here such as contending that we would have had to delay it until the infrastructure was in place is simply unacceptable if there was any project management capability on this.

Mr. Tomás Campbell: I will come briefly.

Deputy Grace Boland: Mr. Campbell is very brave. Mr. Creegan was about to come in there. Let us hear from Mr. Creegan.

Mr. Tomás Campbell: Regarding the analysis of the storage costs versus the bus one year later, inflation clauses probably may have been standard at the time but that period was the time of the Ukraine war so inflation probably was quite high. That analysis has been done by the NTA and does stack up.

Deputy Grace Boland: We have not seen it. All we have seen is this rhetoric. The Committee of Public Accounts has not seen the detail. Do not tell us it is saving us money without showing us.

Mr. Tomás Campbell: It is costing money but it is costing less as-----

Deputy Grace Boland: It certainly is.

Mr. Tomás Campbell: Mr. Creegan will come back in more detail on this. We have had a century of internal combustion engine buses. They are easy to install. It is a case of build a depot and drive them in. We are doing all of this for the first time. Research and development, getting planning applications in and get planning approval are happening for the first time. All of that has happened for the first time and there have been problems but the NTA has installed-----

Deputy Grace Boland: It is not rocket science.

Mr. Hugh Creegan: We did exactly what the Deputy suggested. We tried to align the provision of chargers and the purchase of buses.

Deputy Grace Boland: There were two failed procurement processes. That is a serious reflection on the NTA - two failed procurement processes for electricity-charging infrastructure.

Mr. Hugh Creegan: We can buy the buses, but when it comes to putting the chargers in the depots, the depots are run by the bus operators so they ran those procurement competitions.

Deputy Grace Boland: It is always someone else.

Mr. Hugh Creegan: They are the facts. We did align the bus purchasing programme and the charger installation programme, so at the start of the process, they were aligned. Due to problems that arose, they became disconnected and we ended up with the problems we have.

Deputy Joe Neville: I want to bring it back to a really high level. In some ways, I know the answer but what exact amount has been spent on the project to date? Is it €150 million?

Ms Mary Considine: It is €150 million plus €3 million to date this year.

Deputy Joe Neville: Could Ms Considine clarify the figure of €3 million?

Ms Mary Considine: The figure of €3 million is the ongoing cost of managing the project this year.

Deputy Joe Neville: Who is getting that money?

Ms Mary Considine: As Mr. Hendrick would have said, we have stopped paying Indra since February so there would be some Indra costs in there and then there would be third-party costs and our own project management costs.

Deputy Joe Neville: Is Irish Rail continuing to capitalise that?

Ms Mary Considine: No.

Deputy Joe Neville: So that is going through Irish Rail's current expenditure. Does that affect its current budget? Is it something Irish Rail had assumed would be in the costs in its budget?

Mr. Paul Hendrick: We would have seen it-----

(Interruptions)

Mr. Paul Hendrick: -----when we set that budget last year.

Deputy Joe Neville: So it will affect Irish Rail's current budget. That is money it would not have budgeted for. If it is not capitalising it now-----

Mr. Paul Hendrick: It is coming out of the capital side, which is going through profit and loss, but it was meant to go into the balance sheet.

Deputy Joe Neville: I know, but it is actually going through profit and loss. It is an expense. Irish Rail would not have put it in.

Ms Mary Considine: It is, but it is in and out because of funding.

Deputy Joe Neville: I am very conscious that Ms Considine is new to her role. Was this something she quickly saw as a red flag when she assumed her role? I am conscious that she has come in. It was written off in her time. How long has she been in her role.

Ms Mary Considine: I am about nine months in.

Deputy Joe Neville: So essentially she is trying to clear the decks.

Ms Mary Considine: My first board meeting was in October when there was a red flag in respect of this. We really focused-----

Deputy Joe Neville: Was it highlighted at the meeting?

Ms Mary Considine: It would have been flagged as a red flag project in the first board reporting. We are managing a significant portfolio of projects - €3.6 billion in phase six execution - and this was the one with the red flag on it.

Deputy Joe Neville: Can someone tell me what the old CEO thought of this, because we know Ms Considine cleared the decks? All too often, we come in after hearing that the person who had previous oversight has gone. Does anyone know what his stated view was?

Ms Mary Considine: I cannot speak for anyone else but if the Deputy looks-----

Deputy Joe Neville: On the record.

Ms Mary Considine: -----at all the data, concerns were raised all the way through and there would have been a number of senior meetings with Indra to try to resolve this.

Deputy Joe Neville: Did he ever wish for it to be written off? It is just interesting that Ms Considine came in and wrote it off straight away. What was his view?

Ms Mary Considine: As we discussed earlier, there was no discussion at the board about impairment because it was still working on a way forward.

Deputy Joe Neville: That was despite the fact that there were a serious amount of flags.

Ms Mary Considine: There were serious flags but as my colleague has said there were two commercial rebasings of it on the basis that everybody believed the project was going to be delivered.

Deputy Joe Neville: With the €152 million capitalised; I am sorry, how much is capitalised on the books now?

Ms Mary Considine: There is €100 million of-----

Deputy Joe Neville: There is €100 million capitalised, €53 million written off of a current total expense of-----

Ms Mary Considine: Yes.

Deputy Joe Neville: Okay. Where are we with the project? What if I am asked today? Someone says we have wasted €50 million and asks me where we are with the other €100 million. From a holistic perspective-----

Ms Mary Considine: The €100 million is a building in use. We have-----

Deputy Joe Neville: It is a building in use.

Ms Mary Considine: It is in use. As we spoke of earlier on, a number of our controllers our working out there based on existing technology.

Deputy Joe Neville: Are we happy with the build-up of that cost basis? I mean the capitalised nature of it.

Ms Mary Considine: Yes.

Mr. Paul Hendrick: No write-down on the building.

Deputy Joe Neville: That is what I am saying. The officials are happy that the €50 million is not linked to the €100 million, so it is just the software cost of the same project. What is the building being used for?

Ms Mary Considine: The building is being used by our own team who are operating on existing technology we plan to replace. Gardaí are also operating out of there and the building has been future-proofed for Dublin City Council.

Deputy Joe Neville: Dublin City Council.

Ms Mary Considine: Yes, to look to control the overall traffic system for the city.

Deputy Joe Neville: Okay, so we have a €100 million building but all the software - essentially, the actual project - is gone.

Ms Mary Considine: Just on the €100 million, you have the building, hardware costs for the new technology-----

Deputy Joe Neville: I am conscious of-----

Ms Mary Considine: -----and a lot of enabling work was done around the network for the new train control system.

Deputy Joe Neville: How much do we believe will have to be spent? I assume this project will have to go ahead in some shape or form. What is the cost going to be of that project?

Ms Mary Considine: I am just repeating myself, and I apologise, but it is at a sensitive time commercially and legally, so I cannot answer that.

Deputy Joe Neville: But we are going to go down that route again.

Ms Mary Considine: I am happy to come back and clarify once we are through the-----

Deputy Joe Neville: I know, but the project still has to be done.

Ms Mary Considine: Absolutely.

Deputy Joe Neville: That is fine.

This is more maybe for the NTA. What are the ramifications for it? We have a lot of projects coming up like DART+ West, DART+ South West and MetroLink. How do we feel? This involves the Department of public expenditure as well. At the infrastructure committee we had the interim CEO of MetroLink in. At the budgetary oversight committee, the Department of public expenditure was saying it does not really have a role because that role is subbed out to other people. The Department was not aware of this issue when I raised it on Tuesday. It seems strange to me that people at senior levels in that Department are not necessarily aware of a €50 million write-off in an entity where ultimately it is writing the cheques. I am not asking where the learnings are going to be because I hate asking that question, but what are the implications and ramifications considering the significant amount of money we are going to have to spend on infrastructure to bring it up if we can miss out on a project like this which showed many red flags? Was it 63 tests I saw were failed along the way, or where issues were brought up?

Ms Mary Considine: There were over 600 test log issues with 63 kind of substantial issues, I believe.

Deputy Joe Neville: There were 63 flagged failures on a project over many years, yet we just come to the end and someone new comes in and says we need to write that off because ultimately we have nothing to show for it.

Mr. Tomás Campbell: I will come in first from the Department's perspective. To take the point on the Department of public expenditure, we have been engaging with our Transport Vote colleagues in the Department, so they are aware of these issues. We have been-----

Deputy Joe Neville: The senior levels of the Department of public expenditure were not.

Mr. Tomás Campbell: That would be at principal officer level. I am not sure internally then how it was communicated-----

Deputy Joe Neville: I just thought it was striking.

Mr. Tomás Campbell: I am not sure I can comment on the Department of public expenditure's-----

Deputy Joe Neville: I will not say the name but it was striking.

Mr. Tomás Campbell: As I mentioned, we in the Department have been very concerned about this project all along. When you look at the Arts Council IT project, the failings outlined

in this committee's report or the Niamh Brennan report were around not having formal structures in place and not escalating these issues up the line. We have those with the MPGOG. We have our independent members.

Deputy Joe Neville: My fear here is that it was up the line. My fear is that it was at very senior levels. We have been told that it was at very senior levels yet no decision was made until somebody else came in when somebody left. Then someone else sits here and deals with the consequences. What we see in here all too often is somebody new like Ms Considine having to answer questions about something that happened prior to her tenure. She is having to answer the questions but all those flags were there along the way. There was a significant failure somewhere. I am not saying it was with the Department of Transport but something definitely happened. Money was being spent and wasted and the flags were there, but everyone was tipping along. Then they were out the door and we are left dealing with a mess here. All too often we have seen the same trend.

Mr. Tomás Campbell: What really changed in the last few months was that Indra delivered the software for CP1 in April. That was the point at which the impairment decision was made and decisions were made about the future of the project and getting onto a sustainable footing going forward.

Deputy Joe Neville: I am going to ask about the timeline. Mr. Campbell has just spoken about April. When did Ms Considine say she came in? Was it nine months ago?

Ms Mary Considine: I took over in October.

Deputy Joe Neville: When was her first board meeting?

Ms Mary Considine: At the end of October.

Deputy Joe Neville: She knew on 1 October. We are talking about April. Even if she was not told at her first one, I am sure it was not the first time it was raised at board level. For the Department of public expenditure to say the first indication it had was in April is significant in itself.

Mr. Tomás Campbell: Just to clarify for the Deputy, I am from the Department of Transport.

Deputy Joe Neville: Well, the Department of Transport or the Department of public expenditure.

Mr. Tomás Campbell: We knew we had serious concerns about the programme for the past four years. We had a number of deep dives on the project as well. We were concerned about the management of the project itself. We were assured by NTA and Iarnród Éireann management but also we were concerned about the wider portfolio of rail projects and what mitigants were in place. For the Waterford North Quays, Galway Ceannt and Foynes line projects, mitigants were in place. I have mentioned the infrastructure management of the annual contract, which is a mitigant for the greater Dublin area. We have a concern about Cork as well. Ms Considine has mentioned that we are working that through to ensure we can bring Cork online. We have been aware of the issues with this project all along and we have had a number of deep dive discussions on it. We have been escalating that to the Minister and to senior management in the Department as well.

Deputy Séamus McGrath: I thank all the witnesses for staying for so long with us to take some supplementary questions. The more I hear, the more I realise the €50 million figure is going to grow significantly. It is not €50 million but a lot more due to the flawed decision to proceed with this project and sign the contract with Indra back in 2020. Just to clarify, the €50 million write-down is one thing and the report that has been commissioned by the NTA is an extra €230,000. The €3 million expenditure in the year to date is effectively part of the written-off project.

Ms Mary Considine: It is written off, yes.

Deputy Séamus McGrath: That is in addition to the €50 million. Some of that was to Indra and some to third parties. The Chair was probing this, but on the interim works that were required to keep the traffic management system safe and up to speed - works that would not have been necessary if a project was delivered in 2024, for example - what is the amount from 2024 up to now? What was spent between 2020 and 2024 was necessary in any event but between 2024, when the new system should have been in place, and now how much has been spent keeping alive the system that is there?

Ms Mary Considine: I do not have that figure. I imagine a lot of that work was done by our team in the signalling electrical area, as part of the infrastructure management. That would be part of their day job of supporting the existing system and keeping it going.

Deputy Séamus McGrath: But it took resources and it was necessary because the new system was not delivered in 2024. The point is that it is an aggregate cost in terms of the overall waste.

Ms Mary Considine: To clarify in case there is any confusion, we have been keeping the system we have, which is life-expired, going. That is done by our own team and they are supporting it-----

Deputy Séamus McGrath: I understand.

Ms Mary Considine: -----with their spare parts and all that and the experience they have in managing it. I think the Deputy is asking what we have spent on maintaining an old system. Separately-----

Deputy Séamus McGrath: From 2024 until now. In 2024 we should have had a new system but we did not. Obviously the old system had to be kept going and that cost extra money.

Ms Mary Considine: Yes, and I do not know how much. I do not think it would have been very significant but we will come back. I do not know that figure. We are looking at ways forward to derisk the train control.

Deputy Séamus McGrath: I know. The €50 million is what is quoted repeatedly but it is much more than that, ultimately. There will be ongoing legal actions. That is confirmed.

Ms Mary Considine: It is not confirmed but we are obviously looking at all legal considerations at the moment in relation to the contract.

Deputy Séamus McGrath: It is highly likely there will be ongoing legal actions, which is an additional cost. Going back to the original tender, what was the original contract value with Indra?

Mr. Paul Hendrick: The target price was €16.4 million, excluding VAT.

Deputy Séamus McGrath: That was the contract value.

Mr. Paul Hendrick: That was the build contract. There was a different price for the maintenance. If it got it built, there was an annual price to manage that system going forward, but the-----

Deputy Séamus McGrath: Just help me to understand that. We have a €50 million write-down but the original contract was €16 million. Just explain that to me.

Mr. Paul Hendrick: In the write-down, the equivalent of the €16 million including VAT was circa €20 million.

Through the commercial resetting we did under resets 1 and 2, that has brought that contract up to about €30 million. We have written down about €28 million of that €30 million because it was predominantly, as we talked about earlier in response to Deputy Neville, the software and part of the hardware. The other costs between the €30 million and the €50 million are also the level of effort we expended with some of our support organisations and our own staff. We went through every single resource. Every effort was allocated to supporting Indra on the software. Once you write down the software, the other writedowns happen as a function of that. It is an indirect consequence of it. That is what brings us up to the €50 million. It is the Indra contract price.

Deputy Séamus McGrath: The original contract was €16 million. The writedown was €50 million because of all those actions that had to be taken. Is that correct?

Mr. Paul Hendrick: It is carrying writedown on other contracts, not just Indra, if that makes sense. There is the Indra contract and the writedown of that. The corollary of that is that in respect of any of the other contracts that were supporting the particular element that has failed, which is the software, we had to make an assessment based on what those individuals were doing in every given month throughout the contract period to identify whether it was linked to that or not in order to comply with our duties regarding the financial statements. That is how we got to that figure.

Ms Mary Considine: If I may add, the €50 million includes VAT. It would be €43 million plus €7 million in VAT. The €7 million, obviously, goes back to the Exchequer. All our figures and schedules include VAT because we do not recover VAT.

Deputy Séamus McGrath: To return to my original train of thought, we are at €54 million in terms of the report commissioned, the €3 million this year, the €50 million and the interim works that had to be done on the system. We do not have a figure on that, but I presume it is adding up to a few hundred thousand. I am speculating on that. We now also have to deliver a new system. We are six years on. We have inflation, which, it could be argued, will add 30% or 40% to what the value should have been. It is potentially tens of millions in additional costs in that. The €50 million is only the baseline really.

Ms Mary Considine: The Deputy is correct. There will be additional costs, unfortunately, but we need a train control system and-----

Deputy Séamus McGrath: I understand that.

Ms Mary Considine: -----and we need to move forward.

Deputy Séamus McGrath: I am just saying that quantifying this broad decision at €50 million is not accurate. It is much more than €50 million.

Ms Mary Considine: Yes. The sum of €50 million is just the impairment.

Deputy Séamus McGrath: We cannot settle on a figure, but it is clearly going to be tens of millions more than €50 million.

Mr. Paul Hendrick: On the impairment figure for the financial statement, we still carry the full cost of the project as €153 million we have spent to date and whatever we have to spend on top of that. We do not lose that number from how we report the project, but the point is well made.

Deputy Séamus McGrath: I will move on briefly to the NTA, if I may, in relation to a local issue. There are ongoing reliability issues with the bus service in Cork. They have been going on for years. There is deep frustration among the public regarding the cancellation of buses, ongoing unreliability, late buses and the information app not providing accurate information over the years. Endless representations have been made. We have been told that the recruitment of drivers will solve the problem, that new buses are being delivered and that investment is being made, yet we continue to have reliability issues. Is there any end to this?

Ms Anne Shaw: There is continued investment in the bus network in Cork. There were issues with driver recruitment, but I am pleased to say Bus Éireann is now fully staffed in terms of the numbers of drivers they need for the services they are running. We had intended this year to begin the first phase of the BusConnects service redesign this year. We are still in discussions with the Department of Transport to make sure that we do that next year. We have already put those bus stops in place and they are ready for those new services. There has been some investment down there as well. We are also investing in electrification and Tivoli depot, which I mentioned in my opening statement, is due to open in the next month. That will enable the buses to go out of the current depot to be sited over there. The current depot can then be taken over in terms of putting in the required electrification and so on. It can then also receive some of those electric buses.

There are also issues with bus reliability, as the Deputy mentioned. Older buses are running at the moment. The intention of the electrification programme is to replace those buses. Bus Éireann has also recruited additional mechanics, etc., to get those back on the ground. The current depot is very constrained in terms of being able to do the mechanical repairs, fix the engines, etc. The temporary depot in Tivoli will enable more maintenance to be carried out. It will address some of the issues of buses being off the road.

Deputy James Geoghegan: I thank the witnesses for staying on. Was the NTA aware that Indra's original bid was 50% lower in pricing terms?

Mr. Hugh Creegan: I am not sure we got the full details. We were certainly informed and gave our consent to award the contract back in 2019.

Deputy James Geoghegan: Did the NTA have sight of its abnormally low price in the investigation that took place?

Mr. Hugh Creegan: Usually we would and we would usually be informed that the valuation has taken place, that an assessment has concluded and that a certain amount has been recommended, seeking our approval. That would usually be the case. I cannot say for certain. I have not looked back-----

Deputy James Geoghegan: In Mr. Creegan's long experience, has he seen such a big variance in price, 50%, for a contract as big as this?

Mr. Hugh Creegan: When it comes to systems being bought and something that may be available, there can be big differences. One entity may have a product that is very close to the requirements and another entity may have to do a whole lot of work to get it. A total of 50% is large, but I have seen some up at that level.

Deputy James Geoghegan: Can the public accounts committee be furnished with details of the investigation that took place at the time - the abnormally low-bid investigation?

Mr. Hugh Creegan: I am not aware that an abnormally low-bid investigation took place----

Deputy James Geoghegan: I am sorry; Mr. Hendrick said it did.

Mr. Paul Hendrick: I did not say that. I said we assessed the tenders just to make sure when we look at them that there is not anything in there that looks unusual. The abnormally low tenders legislation or case law came in in the last few years, but we would have always looked at it to make sure that the tender price is right and reflective of the works we need to do.

Deputy James Geoghegan: Irish Rail did not carry out a Regulation No. 69 abnormally low tender investigation.

Mr. Paul Hendrick: I am not saying that. We do a full procurement assessment-----

Deputy James Geoghegan: I am asking the question. Which is it? I thought Mr. Hendrick gave evidence that Irish Rail had carried out a Regulation No. 69 abnormally low bid investigation.

Mr. Paul Hendrick: I would have to come back to the Deputy. I was not in the business at the time. We can come back to the Deputy with the report that we would do in terms of the procurement assessment.

Deputy James Geoghegan: Every contracting authority, when an abnormally low bid comes in, under EU law and therefore Irish law, has a legal obligation to carry out an investigation. Did that happen?

Mr. Paul Hendrick: I would have to come back to the Deputy to confirm that. I would expect that it did in terms of what we have done. All our procurements are compliant and we get audited within the business from all our procurements. Nothing has been identified as an issue in terms of how we did the procurement process-----

Deputy James Geoghegan: Mr. Hendrick might examine that and come back to the committee. If an investigation was, in fact, carried out, he might provide a report. If an investigation was not carried out, he might provide an explanation as to why it was not carried

out at that time. I take his point about the laws and their application. All that is relevant is how they were interpreted at that time.

Mr. Paul Hendrick: That is fine. We can do that.

Deputy James Geoghegan: The asset value of the TMS software that is being carried or assessed on Iarnród Éireann's books is €100 million. It was €100 million when the impairment review was carried out.

Ms Mary Considine: It is €100 million for the project. That includes the building, the enabling works, hardware and all that stuff.

Deputy James Geoghegan: I will ask the questions straight. When Indra bid to provide the TMS piece, what value did it put on the project originally? For how much did it say it could deliver TMS project originally?

Ms Mary Considine: As my colleague Mr. Hendrick mentioned earlier on, including VAT, it was around €20 million initially.

Deputy James Geoghegan: What did that balloon to?

Ms Mary Considine: We wrote off €28 million from Indra and then there were third-party costs. There would also have been third-party costs in the project budget, but they have increased significantly because the whole project has been elongated.

Deputy James Geoghegan: Initially, it was going to deliver this project for €20 million. Let us fast-forward miles ahead to March 2026, when the project team presented to the board. Presumably, the project team's presentation to the board was a representation of what Indra was telling the project team. Is that fair? I am going back to the €250 million here now.

Mr. Paul Hendrick: If I could just go back to the Deputy's question on the €20 million contract price, the commercial reset number 2 reset that to €36 million, including VAT. There was also commercial reset number 1, which reset it as well-----

Deputy James Geoghegan: Round 1 was €20 million and round 2 was €36 million.

Mr. Paul Hendrick: The assessment team would have made a determination on its own basis - not necessarily on the basis of a direct engagement with Indra but on its own knowledge of the costs and expenditure on the project at a projection-----

Deputy James Geoghegan: Is Mr. Hendrick on the project team?

Mr. Paul Hendrick: The project team is reporting to me.

Deputy James Geoghegan: Mr. Hendrick presented to the board in March 2026. Is that right?

Mr. Paul Hendrick: It is me and the project team. The project team presents.

Deputy James Geoghegan: It is Mr. Hendrick and the project team. They went to the board. They told the board their assessment was that the global cost would be €250 million.

Mr. Paul Hendrick: That it could be.

Deputy James Geoghegan: It could be, in the best-case scenario, if we can continue with Indra. Is that right?

Mr. Paul Hendrick: Yes, and that was based on years of continuing on this project.

Deputy James Geoghegan: That was the optimistic assessment. Did Mr. Hendrick have other scenarios? Did he have a worst-case scenario?

Mr. Paul Hendrick: No, we did not.

Deputy James Geoghegan: Mr. Hendrick went to the board with one figure, €250 million. Will he break it down and subtract the building costs from the €250 million? What is the TMS piece?

Mr. Paul Hendrick: I cannot, at this stage, but we can come back to the Deputy on it.

Deputy James Geoghegan: Come on. Mr. Hendrick is the project team manager and he cannot tell me, out of the €250 million, how much of that relates to the software. Does he know that figure right now?

Mr. Paul Hendrick: No, I do not. I can come back to the Deputy on it.

Deputy James Geoghegan: What does Mr. Hendrick think it is? Come on. Mr. Hendrick presented to the board. He is being scrutinised by his board as to what this is. How can he not know?

Mr. Paul Hendrick: We did not present a breakdown.

Deputy James Geoghegan: That was in March and we are now in July.

Mr. Paul Hendrick: We did not present a breakdown, so I will have to come back to the Deputy with the details.

Deputy James Geoghegan: What is the build cost then, currently?

Mr. Paul Hendrick: If we go to the €150 million we have spent to the end of 2025, of that €65 million is against the building asset and €85 million is against all the signalling works we did, including the TMS and the signalling enabling works. That brings us up to €150 million to the end of 2025.

Deputy James Geoghegan: That is €150 million on the build site. Is that correct?

Mr. Paul Hendrick: It is €150 million on signalling and on the building.

Deputy James Geoghegan: It would be €250 million if it was kept running.

Mr. Paul Hendrick: Yes, it is a projection of the €150 million continuing.

Deputy James Geoghegan: Is it 60:40, 50:50 or 80:20? Is Mr. Hendrick honestly saying that he cannot even give me a framing between build and software? They are two separate things.

Mr. Paul Hendrick: Sorry, the build is finished, so it would be predominantly on the signalling and TMS system.

Deputy James Geoghegan: Okay, so what does that figure look like? There is €250 million and that includes the building. What is the TMS figure if it ran all the way?

Mr. Paul Hendrick: It would be €250 million, minus the €67 million for the building.

Deputy James Geoghegan: It is €250 million, minus €67 million. Is that what Mr. Hendrick said?

Mr. Paul Hendrick: Correct, including VAT.

Ms Mary Considine: To clarify, there are also works done on signalling, SET and all that kind of stuff, which all has value. There is still €19 million of value in the signalling.

Deputy James Geoghegan: Roughly speaking, we are talking about €180 million if Iarnród Éireann kept going with Indra on the TMS software, based on what I have just been told.

Mr. Paul Hendrick: For all of the signalling systems, excluding the building but including Indra, yes.

Deputy James Geoghegan: We would be talking about €180 million to the very end, on a project that, in the original tender, the company said would be €20 million.

Mr. Paul Hendrick: Other costs are included in there, so it is not a direct comparison.

Deputy James Geoghegan: They are probably marginal enough, though. Will Mr. Hendrick subtract those costs for me?

Mr. Paul Hendrick: If we could say roughly, the original budget would have had approximately the €65 million for the building, which is good, and €85 million for the rest. If we do it against the €85 million, that would be a more direct comparison in terms of the question the Deputy is asking.

Deputy James Geoghegan: How did Iarnród Éireann start with €20 million, get to €85 million and then get to what looks to me like €140 million to €180 million, if it ran it the whole way?

Mr. Paul Hendrick: It is based on assessment of resources working on the project from Indra-----

Deputy James Geoghegan: How did the project balloon to such an enormous degree, from day one to where we are now?

Mr. Paul Hendrick: The problem with this project, all the way through, comes back to the lack of a developed product from Indra. The prolongation on the project, where it is continuing and the resources that are working on the project continue to support this delayed project, obviously get booked to the project cost. The reason this project is delayed and is delaying us continuing all comes back to the lack of a developed product from Indra. That is the source of all of the issues.

Deputy James Geoghegan: I am over time so I ask for the indulgence of the Chair. Has a termination notice been issued to Indra?

Ms Mary Considine: We are still in contract with Indra. As I said at the outset, we are in a sensitive legal and commercial position, so we are still in contract.

Deputy James Geoghegan: The NTA has approved Iarnród Éireann's request to issue a termination notice. Is that correct?

Ms Mary Considine: It has approved the decision taken by our board. We have not implemented those decisions yet.

Deputy James Geoghegan: Is there no other governance check that has to be gone through to execute on the decision of the board?

Ms Mary Considine: Not from an approval's perspective but we need to look at the legal options.

Deputy James Geoghegan: Iarnród Éireann will not be going back to the NTA or the Department on the next steps. It is all in its world now. Is that correct?

Ms Mary Considine: Yes, it is back to us.

An Cathaoirleach: I have a few concluding questions. I want to go back to the implications of this regarding the cost and the delivery of expanded services. Earlier, Ms Shaw, you said you would have to look at phasing of different schemes in the future. You said there was no impact on the Metro and DART+ projects. I ask you to elaborate. I know there is a process of re-evaluation but what people in Wicklow want to hear is that there will be no impact on the DART+ Coastal South expansion to Wicklow town. What assurances can you give people in my constituency, and others across the State, that are eagerly waiting for expansion of services?

Ms Anne Shaw: Ultimately, we understand that to deliver the public transport system for this country, we need to make sure that we progress all of the projects we have identified in our investment plans. We need to understand what the next steps are. That is what we and Irish Rail will be concentrating on in terms of how we get to the traffic management system. Ms Considine has already explained what measures are being taken to protect the greater Dublin area. That probably answers the question about DART+ Coastal South in Wicklow.

An Cathaoirleach: Expansion to Wicklow is still on track for 2029. Is that correct?

Ms Anne Shaw: The resilience project that Irish Rail will be delivering will ensure that there is no impact on the DART+ service.

An Cathaoirleach: With the process that will be embarked on, when will we know what services will be impacted in terms of further expansion or the real impact it will have on users of the rail network?

Ms Anne Shaw: There is a lot of work to be done to understand what the next steps are, working with Irish Rail on how we deliver the traffic management system for the rest of the country. We need to establish the costs and the delivery method. Once we have certainty on the delivery and the costs, we will also be looking across the wider programme.

An Cathaoirleach: When can we expect to have that?

Ms Anne Shaw: We have to work quite quickly, so over the next few months we should at least have some idea about what the implications are, at least an outline. Detail-----

An Cathaoirleach: I ask you to revert to the committee as soon as you have that.

Ms Anne Shaw: -----will need to come through the business cases that we will take through the usual governance processes as well.

An Cathaoirleach: I mentioned the signalling system in Cork and the timeline that is in place. Who has the contract for delivering that signalling system?

Mr. Paul Hendrick: The main contractor for the signalling system in Cork is Alstom.

An Cathaoirleach: In fairness, time penalties were written into the contract. It is a pity the same was not done for the contract with Indra. Would you agree?

Mr. Paul Hendrick: There are liquidated damages in all of our contracts, including in the Indra contract.

An Cathaoirleach: With the Indra contract, those were not implemented until this year. Is that correct?

Mr. Paul Hendrick: They have not been levied so far.

An Cathaoirleach: Why?

Mr. Paul Hendrick: When we did the commercial reset number two we effectively reset the programme dates against which those liquidated damages would apply. In the discussions we had with Indra and the NTA in 2025 it was agreed to only focus on CP1. In the nature of what we were doing, we focused on delivering CP1. We did not forfeit our right to those liquidated damages; we just did not levy them at that time. We had agreed that approach in principle at the time. Where we are at the moment is that there are no more payments to Indra in any case, as we sit here today.

An Cathaoirleach: What was the cost quantitative breakdown for the next generation ticketing, NGT, tender?

Ms Anne Shaw: The whole cost within the business case for NGT was in the cost range. I think it has been reported to the committee before. It ranges from €240 million to €280 million.

An Cathaoirleach: How many companies put in for the tender?

Ms Anne Shaw: There were three bidders.

An Cathaoirleach: Where did Indra rank?

Ms Anne Shaw: It won the contract.

An Cathaoirleach: Was it cheaper, middle or-----

Ms Anne Shaw: It was done on the same price-quality contract. I do not have the breakdown of what the percentages were.

An Cathaoirleach: Was Indra's the cheapest tender bid?

Ms Anne Shaw: Between price and quality, yes, that is correct.

An Cathaoirleach: How much cheaper?

Ms Anne Shaw: I cannot answer that at this point. We can come back to the committee with the information.

An Cathaoirleach: Please do. Given what we know about the TMS tender, it should have set off so many different alarm bells, particularly in light of what has transpired in Spain and other jurisdictions. I ask you to come to us on that.

I would be really interested to see that.

I want to touch on the issue of electric buses. To hear that keeping the buses in storage for a lengthy time is actually saving us money and it being put forward as a justification that in some bizarre way this approach is ultimately saving us money is an insult to people's intelligence. What we see here is a continuous failure on so many different levels to plan forward. To see 98 buses, valued at €730,000 each including VAT, in storage is an absolute disgrace. As it currently stands, we have over €71 million worth of electric buses still in storage. For someone to come in and try to justify that by saying it saved us money because of inflationary measures is an insult to people's intelligence. Would you agree, Mr. Creegan?

Mr. Hugh Creegan: We are not trying for one minute to make it out to be a good idea. It was not the plan to have buses in storage. The plan was that the buses would arrive and the chargers would be in place and we would be able to deploy them into operational use.

An Cathaoirleach: I get all of that.

Mr. Hugh Creegan: We simply made the point that there was an offsetting cost, just to acknowledge that, but it was never a plan to have buses in storage.

An Cathaoirleach: Well the plan is to keep them in storage and it is going to cost us another €1.5 million by the time the 98 buses eventually come out onto the streets. What measures, if any, have been taken given the concerns this committee has expressed over the last number of months with regard to this information and the cost? Have any measures been taken to try to speed up the process to get these buses out onto the streets, or are we just content with the timeframe? Some of these buses, by the NTA's own information it has furnished, are not going to come into use until next year at some stage.

Mr. Hugh Creegan: Most of them will come in this year in quarter 3 over the next few months into Dublin Bus. The Galway ones will be in quarter 4 and quarter 1 next year. Nobody is sitting back comfortable with this. Every effort is being made to try to accelerate the installation of the required charging infrastructure in the depots. People are delivering as fast as they can but we are behind.

An Cathaoirleach: It is deeply unacceptable and concerning, to say the least, particularly when we are talking about such a waste of money here with Irish Rail and now we have the electric buses. I also want to touch on the park-and-ride facility in Fassaroe in my own constituency in Wicklow. Information the NTA has furnished the committee shows that €11 million has been spent. The NTA is nearly praising itself that it came in under budget. The expected budget was €12 million. It came in under budget, to use the witnesses' own words, but the fact that it is locked up and no one can actually use it speaks to that failure to plan forward to ensure the critical piece is put in place initially, which is to ensure there are buses and drivers to actually serve that facility. Does Ms Shaw see what is wrong there?

Ms Anne Shaw: Obviously, the intention was for the opening-----

An Cathaoirleach: I know the intention

Ms Anne Shaw: -----of Fassaroe for this year. It was planned in our budget submissions in terms of the operational costs for that park-and-ride facility as well, but we did not receive the funding we needed to do that. We are in discussions with the Department on what the budget allocations will be for 2027. As the operational costs are on an annual basis-----

An Cathaoirleach: Do the officials in the Department think it is justifiable that an investment to the tune of €11 million to provide critical public transport infrastructure is left locked up, costing €50,000 in additional security costs to ensure that no one can use it? Do they think that is justifiable?

Mr. Tomás Campbell: No. It is deeply regrettable as well. As was outlined earlier to Deputy Neville, however, it does go back to the budget settlement with the Department of public expenditure this year for the PSO and that is what funds the services.

An Cathaoirleach: So, it is the underfunding that has facilitated this.

Mr. Tomás Campbell: We had a 43% uplift in our core PSO this year and it is now at record level. That puts us on a much more sustainable footing.

An Cathaoirleach: The expectation from the NTA was for funding levels to ensure facilities like this would become available.

Mr. Tomás Campbell: Every Government agency will ask for a budget and it will not get the entirety of the budget in a given year and that does lead to mismatches in terms of when the services will be there, but that would be-----

An Cathaoirleach: On the Fassaroe facility, some critical elements of that infrastructure have not been delivered. There were to be EV charging points and a substation on site there. I believe that was also to serve the plan, which ultimately has been put on the shelf as well, for the Ashford-Rathnew park-and-ride facilities. Will the NTA give the cost for the substation and explain why that is not included in the cost analysis it provided the committee, and will it give us the contract that it says will, ultimately, be given to a third party to provide the EV charging services?

Mr. Hugh Creegan: I thought we had this substation cost included. However, on the chargers, we recognised as we started to go through this and based upon conversations with market providers that just us installing them blindly and not having a payment system for them was the incorrect way. What we are going to do is tender for a provider to provide the charging infrastructure at various bays in the parking location. Members will have seen from the note that we have the ducting and the prerequisite engineering put in place for it. Once we get a supplier identified, we can follow through with the chargers then.

Regarding the Ashford-Rathnew park-and-ride site, the planning consent is agreed, as the committee will know, through the local authority. That is down to the funding. We are in a position to start construction next year but it is questionable whether the funding will be there to do it. It is a question of funding for that particular park-and-ride site.

An Cathaoirleach: It is questionable as to whether Ashford-Rathnew will even commence next year.

Mr. Hugh Creegan: At this stage it is, yes.

An Cathaoirleach: Okay. You might provide a note on that. There have been a lot of announcements, in my own constituency and in others, about rolling out new services. We look at new routes in Wicklow that went out to tender and the Glendalough to Bray service that people are still eagerly awaiting. Funding is not in place. We see over in west Wicklow promises made to enhance and increase the frequency of bus services there and these not being delivered. You might furnish a full note on what services had been planned that have not been able to be delivered this year because of the funding shortfall in the PSO.

The last issue I want to touch on relates to Irish Rail and company vehicles. How many company vehicles are currently in use in Irish Rail?

Ms Mary Considine: I do not have the exact figure. There would be a number of fleet vehicles on the road to support a 24-7 operation around the country. I do not have the exact number.

An Cathaoirleach: I have a figure here of 750.

Ms Mary Considine: It may be correct. I am assuming it is if the Cathaoirleach has it. I would have thought around 600.

An Cathaoirleach: Are they owned or leased?

Ms Mary Considine: They are leased.

An Cathaoirleach: They are all leased. The information I have, which you are not disputing, is that there are 750 leased vehicles in Irish Rail.

Ms Mary Considine: That could be correct. We will have to clarify that. I do not have the figure.

An Cathaoirleach: You might furnish a note to us there because that would be deeply concerning. There are more leased vehicles in Irish Rail than there are rail carriages, which says a lot. You might give us the full breakdown on those, including the costs and the nature and duration of the contracts. There was also a settlement for benefit-in-kind. You might give us some additional information in relation to that, the usage of some of those vehicles. Do you have some of that information to hand?

Ms Mary Considine: Yes. I do not have the exact figures but there was an exercise we conducted earlier on this year - a self-review - to make sure there was no BIK owing in respect of the last number of years. A thorough review was done, an assessment was made and a settlement with the Revenue based on that figure.

An Cathaoirleach: How much was that settlement?

Ms Mary Considine: I think it was around €1 million, but I will confirm that.

An Cathaoirleach: It was €1 million. You might furnish the full detail.

Ms Mary Considine: I will. I just do not have the figures to hand.

An Cathaoirleach: How many vehicles, how many individuals that related to, etc., so if you could give us the full information on that.

Ms Mary Considine: Yes.

An Cathaoirleach: That concludes our engagement today. I thank the chief executive officers and the officials from the NTA and Iarnród Éireann for attending. I also thank the representatives from the Department of Transport the Office of the Comptroller and Auditor General for their attendance once again.

Is it agreed that the clerk will seek any follow-up information required and carry out any agreed actions arising from the meeting? Agreed.

This is the final meeting of the committee until after the summer recess. We will next meet on Thursday, 17 September 2026, to discuss the business of the committee. The committee now stands adjourned. Go raibh míle maith agaibh.

The witnesses withdrew.

The committee adjourned at 2.50 p.m. until 9.30 a.m. on Thursday, 17 September 2026.