

DÁIL ÉIREANN

AN COMHCHOISTE UM EALAÍONA, OIHDREACTH, GNÓTHAÍ RÉIGIÚNACHA,
TUAITHE AGUS GAELTACHTA

JOINT COMMITTEE ON ARTS, HERITAGE, REGIONAL, RURAL AND GAEL-
TACHT AFFAIRS

Dé Céadaoin, 1 Feabhra 2017

Wednesday, 1 February 2017

The Joint Committee met at 2.30 p.m.

MEMBERS PRESENT:

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| Deputy Michael Collins, | Senator Maura Hopkins, |
| Deputy Éamon Ó Cuív, | Senator Marie-Louise O'Donnell, |
| Deputy Niamh Smyth, | Senator Fintan Warfield. |

DEPUTY PEADAR TÓIBÍN IN THE CHAIR.

The joint committee met in private session until 2.53 p.m.

Sustaining Viable Rural Communities: Discussion (Resumed)

Chairman: We will resume in public session to discuss the question of what it takes to sustain viable rural communities with representatives from Bus Éireann, Iarnród Éireann and the National Transport Authority, NTA. Míle buíochas as teacht isteach inniú. Tá fáilte mór romhaibh. I welcome Mr. Ray Hernan, acting chief executive officer and Mr. Stephen Kent, chief commercial officer of Bus Éireann. I also welcome Mr. Jim Meade, director of railway undertakings and Mr. Barry Kenny, corporate communications manager, representing Iarnród Éireann. Finally, from the NTA I welcome Ms Anne Graham, chief executive and Mr. Tim Gaston, director of public transport services.

I wish to draw attention to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the joint committee. However, if they are directed by the committee to cease giving evidence on a particular matter and continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or an entity by name or in such a way as to make him, her or it identifiable. I also wish to advise the witnesses that their opening statements and other documents submitted to the committee may be published on the committee's website after the meeting.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside these Houses or an official, either by name or in such a way as to make him or her identifiable.

Our discussions on what makes a rural community viable are drawing to a conclusion. If rural communities are to remain viable, it is obviously important that they remain connected. Public transport is a great leveller in our society. It is accessible to people from all backgrounds, whether rich or poor, rural or urban, young or old. It is essential that people have access to public transport in order to be able to avail of a whole range of services, not least health services. We also know that one of the key ingredients for the development of enterprise is transport in the context of access to markets and to skilled individuals. I now invite the representatives of Bus Éireann to address the committee on this topic.

Mr. Ray Hernan: I thank the committee for inviting us here today to discuss the topic of rural public transport, rural connectivity and the key role that Bus Éireann plays in providing those services, now and into the future.

Bus Éireann is committed to providing a range of public transport services outside Dublin in close partnership with our stakeholders. We have been proudly serving communities throughout Ireland since 1987 and I am pleased to inform the committee that tomorrow, 2 February, marks the 30th anniversary of our service.

Having grown up in a small rural village in Galway, I am personally very aware of the critical role that public transport must play in such communities. Ireland is a small country with a low population density that is very geographically dispersed. Public transport solutions need to reflect the way we choose to live. The fundamental principles of our approach to delivering public transport is to deliver social and economic inclusion and balanced regional development, working in partnership with our public transport stakeholders and local communities.

As a company working every day in rural and urban communities, Bus Éireann provides direct employment to 2,600 employees throughout the country through its network of drivers, stations and depot facilities. In addition to this, Bus Éireann works closely with its base of suppliers throughout the country. We contract in over €110 million from small locally based private transport service providers, making Bus Éireann the largest customer of the indigenous private sector in Ireland. The school transport scheme is a very good example of rural mobility and rural modal shift, providing sustainable employment in both an urban and rural setting.

At Bus Éireann, we believe that there are some basic building blocks that are fundamental to the integrated backbone network of services that we provide. It is the national network of services provided within available funding and resources that makes mobility possible for all our rural or urban passengers. The partnership that we have with private operators is essential in the delivery of our transport solutions. Equally, the journeys that these operators undertake on both schools transport and scheduled services give them a base from which to provide other community transport services in rural settings outside schools hours. This is a successful and sustainable approach to rural and community based employment and is a model of excellent public private partnership.

Within our road passenger network, we have more than 1.2 million different origin and destination combinations and more than 10,000 bus stops in both urban and rural settings. We provide city services in Cork, Limerick, Galway and Waterford and we also provide town services in Sligo, Athlone, Dundalk, Navan and Balbriggan. We provide commuter services that link practically every town in Ireland, and this is particularly important in locations where there is no rail link. Our passenger growth was a strong 6% last year, having carried over 39 million journeys on top of 40 million school journeys.

With the assistance of increased funding from the NTA, new higher frequency services have been added last year into Limerick, Galway and Cork which, together with new higher capacity fleet, have helped to deliver passenger growth of almost 9% across these provincial cities, helping the regeneration of these local economies. We are also extremely proud of our enhanced services on the M3 corridor, in particular, locations such as Delvin, Athboy, Trim, Batterstown, and Dunshaughlin, all of which now give greater access to local educational, employment and health facilities within the wider region.

On rural public transport connectivity, we have analysed best practice rural mobility solutions for regions with similar population dispersions in Norway, Finland and rural areas of Flanders in Belgium. All successful solutions are based on layered networks of public transport services, where the regularly scheduled passenger transport services, such as those provided by Bus Éireann, are interlinked with the more semi-scheduled or demand-responsive services such as those provided by Rural Link, other rural bus enterprises, taxi service providers and private car owners. When these services are integrated efficiently and effectively, one gets real local, regional and inter-regional connectivity for rural communities.

In appreciating the value of connectivity, Bus Éireann would be supportive of a proposal to

facilitate a town hub and spoke approach where Local Link would interchange into the backbone network provided by Bus Éireann. This would make best use of the NTA investment in Bus Éireann services in recent years, and would be focused on increasing efficiency and effectiveness in the overall public transport offering outside Dublin. Such an initiative would require State investment beyond “steady state” in accessible fleet, bus stops, bus shelters and station facilities where appropriate and also in customer-facing technology and service back up.

Building on the steady growth of public transport usage that has occurred over the past two to three years outside the Dublin metropolitan area, Bus Éireann would be supportive of any initiative that increased public transport usage for towns across Ireland. In total, almost 200 new or enhanced services were introduced last year, including the significantly improved services launched earlier this week in Athlone town which has been funded by the NTA. All of these will help drive real modal shift. More of these initiatives are planned. Approval and funding for a full schedule of enhanced services has been submitted to the NTA for 2017. These will be delivered, despite the current financial crisis facing Bus Éireann at this time.

On that particular subject of our own financial predicament, I advised staff last week that the scale of our 2016 losses were forecasted to be in the range of €8 million to €9 million. With the resultant depletion of our reserves, this has put the business at risk of becoming insolvent before the end of the year. I am extremely disappointed that the trade unions have refused our invitation to meet to discuss measures which, I believe, must be taken. Their failure to engage leaves management with no option but to proceed with the necessary changes to safeguard Bus Éireann in the best interests of our customers, staff and stakeholders.

To facilitate meaningful engagement between staff representatives and the company, management is not proposing to implement any measures outlined in my 18 January letter until 20 February. I would like to use this opportunity to once again urge unions to accept our invitation and begin talks urgently. Implementation of measures from 20 February is critical to safeguarding the maximum number of viable jobs and avoiding the risk of insolvency. Not to do so would be reckless and irresponsible.

Chairman: I would ask Mr. Hernan to focus on the topics that he was invited in to discuss, and when discussing a third party, such as the unions, that he desist from that type of conversation.

Mr. Ray Hernan: I will move on to my final comment but I felt I needed to put it in context. I take on board what the Chairman says.

In summary, I would re-emphasise to the committee that Bus Éireann remains committed to providing a network of inter-regional services connecting communities to the main population centres, and this also applies to our Expressway commercial services. Having an efficient and flexible organisation will enable Bus Éireann to provide more services, not less, for the same level of subvention. In doing so, we will provide a service that represents value for money for our customers and taxpayers. It will be appreciated by the members here today that Bus Éireann does not receive any public subsidy for providing these inter-regional and inter-city services; it can no longer carry its financial losses. We have difficult decisions to make in 2017 but I believe if we make those decisions in the current year, it will ensure that Bus Éireann survives for another 30 years and beyond.

I want to assure the committee that despite potential changes to some of our Expressway network, we will work closely with the NTA to ensure that connectivity is maintained. I also

want to assure the public that we will do everything to ensure no passenger is discommoded.

Bus Éireann is steadfastly committed to providing a quality, efficient, safe and sustainable public transport service that meets and exceeds the expectation of all communities outside Dublin. While we have arrived at a critical juncture in our finances, I firmly believe that the solution to our challenges lies within the control of the company. I am confident that Bus Éireann will continue to play a central role in public transport, will continue to provide more services and will remain a key part of the fabric of rural Ireland, its regional cities and all the towns and villages in between.

Chairman: I thank Mr. Hernan. I now call on Iarnród Éireann to make its presentation.

Deputy Éamon Ó Cuív: Would it be possible to take the questions after each presentation?

Chairman: I am open to doing that. We will proceed then. Each individual has five minutes to question each group, as there are three groups. Is that agreed? Agreed.

Deputy Éamon Ó Cuív: Would Mr. Hernan agree that Bus Éireann is the primary subvented service provider for all of the country outside of Dublin? Bus Éireann has services running into Dublin, but would he accept that Bus Éireann is the primary subvented service provider for all of that area?

Mr. Ray Hernan: I certainly would. I believe-----

Deputy Éamon Ó Cuív: Mr. Hernan would, and I thank him. Would he agree the approximate population of that area is €3.5 million?

Mr. Ray Hernan: Yes.

Deputy Éamon Ó Cuív: Could he tell me what subsidy Bus Éireann gets?

Mr. Ray Hernan: We get a subsidy on our PSO routes of €40 million.

Deputy Éamon Ó Cuív: If one divides that by 3.5 million, one would be able to get the subsidy per head of population for the people Bus Éireann? Is that correct?

Mr. Ray Hernan: That is correct.

Deputy Éamon Ó Cuív: It is worth noting that figure. The subsidy Bus Éireann gets is €40 million divided by approximately 3.5 million. I note a little goes to rural transport.

I will move on to my next question. Can Mr. Hernan explain why some of Bus Éireann's services cost twice as much per mile as other services? I do not want to be parochial but, for example, and this is replicated right across the country, it will cost one twice as much to go from Galway to An Tulach, Baile Na hAbhann, which is near enough to Carraroe, as it will to go from Galway to Gort. Can Mr. Hernan explain the logic behind Bus Éireann's pricing system? The charges on the much more highly populated route are twice as much as on the other route.

Mr. Ray Hernan: We do not set the Bus Éireann PSO fares for the routes.

Deputy Éamon Ó Cuív: I thank Mr. Hernan. Is that a matter for NTA?

Mr. Ray Hernan: It is.

Deputy Éamon Ó Cuív: This rather strange pricing system is an NTA issue.

Mr. Ray Hernan: We are the operator.

Deputy Éamon Ó Cuív: I thank Mr. Hernan. Can Mr. Hernan explain why, on the main subvented radial or basic commuter routes - except on Expressway - out of the third-level towns, for example, ones with major hospitals, third-level colleges, developed Government Departments, etc., the last bus departs at 6 p.m.? Why are the buses, as one would get, for example, around the city here, not running up to 11 p.m. and midnight? Maybe Mr. Hernan could explain that to us, particularly taking into account that under the Department of Education and Skills guidelines for the adjacent grant for a third level student, that is, one who is meant to go home every evening, the distance criterion is 45 km? Can Mr. Hernan explain why on all those routes where students are meant to travel home every evening the last bus out of town is 6 p.m. and why do the services not run up to 11 p.m. as in the case of the town services?

Mr. Ray Hernan: We work very closely with the National Transport Authority, NTA, to produce a timetable that Bus Éireann ultimately operates. The timetable is assessed based on the demand and, ultimately, the funding that is available. We would love to operate both to more destinations and a more frequent service. There is an increasing demand. I accept as the chief executive officer, CEO, of Bus Éireann that peak times are changing to earlier in the morning and later in the evening and there is also a much bigger demand at weekends. We are actively engaging with the NTA to provide a service that is more fitting with the changing circumstances of our customers in the marketplace.

Deputy Éamon Ó Cuív: How many minutes speaking time do I have?

Chairman: The Deputy had three minutes and he has two minutes remaining.

Deputy Éamon Ó Cuív: It is very hard to measure the demand for a service that was never in place. To take the example of a highly populated route such as the Galway to Carraroe route, which is the most densely populated rural area in Ireland, it is hard to believe that nobody would want to take a bus out of Galway after 6 p.m. when there are many students, civil servants, hospital workers and factory workers who do not want to leave town on that last bus leaving Galway at 6 p.m. From my experience of providing boat services to islands, which involved a much bigger demographic challenge, I believe that if one provides good services, one will get many customers but if one provides bad services, one will get few customers. Why would people tie themselves to leaving town at 6 p.m.? Will Mr. Hernan give me a “Yes” or “No” answer to the following question? Has Bus Éireann made a strong case to the NTA for services on those radial routes from towns in which there are third level institutions to be extended until 11 p.m.?

Mr. Ray Hernan: We are absolutely committed to making sure that we provide the maximum efficient service to the whole community. It is difficult to achieve all the demands across a network where there are 1.2 million different locations to serve within the finances that we have. We are trying to provide more efficiency and that is my objective as the CEO of Bus Éireann. We want to become a more efficient organisation to allow us to provide more service for the existing subvention. I am more than happy to consider individual routes but, in principle, I agree with the Deputy.

Deputy Éamon Ó Cuív: I asked Mr. Hernan a question. It is important that we get a straight answer to a straight question. Has he made an application to provide these services up to 11 p.m.? Can he give me a “Yes” or “No” answer to that question?

Mr. Ray Hernan: I cannot say.

Mr. Stephen Kent: We would have to look at it. We would look at every individual location.

Deputy Éamon Ó Cuív: I do not want to delay the meeting on that point and I have one final question. Having investigated whether he has made that application, could Mr. Hernan advise me of that and if he has made an application could he forward me a copy of it?

Will Mr. Hernan accept it is reasonable for the unions and for the rural population not to engage in talks until the Minister deals with the wider subsidy issues as to why a much higher subsidy per head of population is paid for urban services as opposed to rural services? In other words, does Mr. Hernan not realise that the problems in Bus Éireann might relate to an inequitable policy that is archaic and favours urban areas per head of population, which one would think would be much easier to service and therefore the unions could be validly unwilling to talk until the Minister reviews his policy on transport services in this State? Would Mr. Hernan agree with that statement?

Mr. Ray Hernan: I would have to disagree in that context. Basically, my understanding is that the Minister has offered to provide extra funding for new services, not existing services. The problem we have as an organisation currently is that we are not providing the most optimal structure to provide the most efficient service for the money we have got. We do not have a structure within the organisation that provides the most efficient service to our customers in terms of value for money to the customer and for the taxpayer. That is an element we need to address in the context of the discussions I want to have with the unions. It also needs to be pointed out that we only get subvention from the NTA for our public service obligation, PSO, services. We have a significant business in Expressway that is seriously challenged from a financial perspective. Under state aid rules, the Minister cannot provide any funding for that part of our company. To be clear on this, Expressway will stay as part of Bus Éireann. The fix for Expressway, however, requires us to assess the entire structure of Bus Éireann, not just Expressway. We need to find efficiencies within the organisation to allow us to provide a much better service. I believe that were we to do that, we would be providing many more services across the country.

Deputy Éamon Ó Cuív: Go raibh maith agat.

Chairman: Mr. Hernan mentioned that we have a very geographically dispersed population but 50% of the population resides in about three counties. In certain ways we have a very skewed population dispersal, more so than Britain would have. It would have a far more balanced dispersal than we would have. We as elected representatives are hearing reports of there being a dearth of services in many regional towns and villages. Many towns have only one service leaving early in the morning and one returning late at night. We have also heard reports of bus breakdowns, buses being very late, being full or not being able to provide access to people with disabilities on a regular basis. Mr. Hernan used the phrase “available funding resources”. That is a key element. That is not in his gift but it is a key determinant of whether this service works for people locally.

With regard to Expressway services, I hear that other private competitors do not always accept the passengers with a travel pass. Is that correct?

Mr. Ray Hernan: That is my understanding.

Chairman: There is an uneven competition level to a certain extent between the partici-

pants.

Mr. Ray Hernan: One could look at it both ways. I would look at it as an opportunity to make sure that our buses are fuller than possibly those of the competition by offering the service to those with free travel.

Chairman: In other words, on a resource basis, it is uneven.

Mr. Ray Hernan: Yes.

Chairman: Also, Bus Éireann's private competitors on the Expressway routes do not stop in all the towns. For example, many of them will provide a service from Galway to Dublin but they will not stop in Kinnegad, Enfield or Moate on the way down. That is a competitive disadvantage for Bus Éireann in terms of numbers and revenue.

Mr. Ray Hernan: We have applied for licences. One can either apply for a licence for a non-stop service or for a service that has a number of extra stops. We have a mix across various routes. We would like to think that by going into those other locations we have an opportunity to pick up more customers. A good example of that would be on the service between Galway and Dublin. We have a number of stops between Galway and Athlone and at Athlone we pick up a significant number of passengers to continue on that route to Dublin. The other providers miss out on that opportunity.

Chairman: Obviously they do it for commercial purposes. They must estimate that the volume of passengers is reduced by having a policy of stopping at every town.

Mr. Ray Hernan: There are two different markets there. We need to ensure there is connectivity between the individual villages or towns in between. Without a doubt there is a significant market between the two final destinations.

Chairman: I asked that question because we are hearing about the need for Expressway to operate without public subvention, yet we understand now that there is not exactly even competition between private and public operators on those routes.

Bus Éireann gets 41% of its travel pass cost. Is that correct?

Mr. Ray Hernan: Yes.

Chairman: How much revenue would it get if it received 100% of that cost, that is, if the State paid for those journeys?

Mr. Ray Hernan: We get approximately €11 million and that would mean we would get approximately €15 million extra.

Chairman: It would be worth €15 million extra.

Mr. Ray Hernan: Yes.

Chairman: That is interesting. Does Mr. Hernan know what Bus Éireann's PSO per passenger metric is?

Mr. Ray Hernan: The public service obligation amount on National Transport Authority routes is €1. We have 40 million passengers and received a €40 million subvention.

Chairman: The amount is €1 per person per journey. Is that correct?

Mr. Ray Hernan: Yes.

Chairman: How does that compare with the amounts for the European counterparts of Bus Éireann?

Mr. Ray Hernan: I cannot say I have tried to compare it. I do not know and do not have that information to hand.

Chairman: Would Mr. Hernan be able to collect the information and send it to us? It would enable us to benchmark Ireland against its European competitors and other countries and help us to know where we are. How does the amount compare with that for other forms of transport?

Mr. Ray Hernan: I take it the Chairman is referring to Iarnród Éireann. I imagine the subvention on a per passenger basis is lower than that for Iarnród Éireann. The capital investment required in the railway sector is far higher.

Chairman: It would be interesting to find out the comparable amount.

I do not wish to get too local, but I believe the service from Navan has the highest per mile cost per ticket in the commuter belt area. We have heard today about the number of electric cars sold in January and the serious penalties to which the State will be subject if we do not meet our targets in decarbonising the transport system. Public transport is a fantastic way of doing that. Are there plans to electrify bus services? Let us consider the great American cities. We are told that they are the most oil consuming in the world. There are electric buses or buses with electric motors and combustion engines.

Mr. Ray Hernan: Certainly, that is something we have at the front of the mind in terms of fuel efficiency, etc. That is why we are introducing new technology on board our buses to reduce the carbon footprint of the organisation. Although that is under way, we are some way from the use of electric buses, etc. in rural areas. It is probably closer to being implemented elsewhere. It is not specifically on our radar, but it is closer to potential implementation in the main towns we serve such as Cork, Limerick and Galway where the population is more dense.

Chairman: Go raibh maith agat.

Deputy Niamh Smyth: I thank Mr. Hernan for his presentation. He has said connectivity will be maintained and that no passenger will be discommoded. In that context, he referred to the future plans of the company. I come from the Cavan-Monaghan area and the public transport service we have is vital. There has been a depot in Cavan for as long as I remember. I use the Expressway service. Two buses leave for Dublin at 7.30 a.m. I believe they come from Donegal and have to take the surplus in Kells to cope with the demand on the route. Mr. Hernan has said maintaining connectivity is a priority and that Bus Éireann will maintain it no matter what for rural Ireland. Will he, please, expand on that point?

Mr. Ray Hernan: The Deputy is probably alluding to some possible changes to our route network as a result of our financial difficulties. We are looking at a number of routes. Our commitment is very much to work with the NTA, the authority responsible for maintaining connectivity. We will not be making changes to our schedule until we reach agreement with the NTA on an appropriate alternative.

Deputy Niamh Smyth: Mr. Hernan is saying the NTA is responsible for maintaining con-

nectivity. Is that correct?

Mr. Ray Hernan: That is correct.

Deputy Niamh Smyth: What investment has Bus Éireann undertaken in recent years? I have in mind the depot in Cavan town, for example. What investment has Bus Éireann made in that depot in recent years?

Mr. Ray Hernan: I do not have the detail, but I will certainly get the information for the Deputy.

Deputy Niamh Smyth: Will Mr. Hernan forward the information on the investment made in the past ten years in that depot? It is a busy bus station with a great deal of through traffic and many people depend on it. As we do not have a rail service, one can imagine how important it is for those of us who live in rural Ireland.

My final question relates to rural school transport which, obviously, is singularly important. In 2011 there were 47,000 eligible students, but by 2016 the number was down to 28,000. Can Bus Éireann explain the major decrease in numbers?

Mr. Stephen Kent: The scheme is being reviewed by the Department of Education and Skills with which we are working. The question relates to the funding available. The scheme has always been about trying to deal with the number of concessionary students carried on our services and the number of eligible students. There is a balance between the two that has to be struck in using the available funding. We have always made the case that we are prepared to continue to carry as many children as we can, but the company has to operate within the rules of the scheme which are set by the Department of Education and Skills. We only implement the scheme on its behalf.

Deputy Niamh Smyth: My question relates to concessions. I imagine Bus Éireann has heard from public representatives throughout the country about students who had received a concession and who then suddenly no longer had one. When this happens, it is a major shock for the family concerned.

Deputy Michael Collins: We are here to discuss the issue of a sustainable rural Ireland. I come from a part of the country that is the most rural - the Mizen Peninsula in south-west Cork. Unfortunately, we do not have a rail service and never will. At one time there was a rail line to Schull, but the tracks were pulled up and thrown away. We do not have a Luas service either. Therefore, we depend on having a good bus service. There is an excellent rural transport service, the name of which was recently changed to Local Link. Much of its success is down to good local management in knowing exactly where the needs are and how to meet them. We also receive a fairly good service from Bus Éireann. We have to show understanding. We live in rural Ireland and know that we will never have an hourly bus service. At the same time, much of the success of the service is down to having good regional managers in place. Will they be in place in the future? That is a critical question. I do not envisage a good service to rural Ireland if the service is managed from Dublin. I envisage a good service being delivered or the service being enhanced or bettered in some way if it is managed locally. That is important and something I am watching closely. If the regional managers are taken away, we will know straight away where we are going. I am concerned about this.

Another major issue has been brought to my attention in my role as a public representative. A bus leaves the Mizen Peninsula every morning at 7.30 a.m. or 8 a.m. from Goleen. It travels

through west Cork, serving Beara, Bantry and other areas. The problem is the price of fares. Young people say to me that they want to travel on the bus but that they cannot do so because they cannot afford the fare. They are trying to car pool and so on. It costs €24 to travel to Cork, which is ridiculous for anyone but especially young people. This is something that needs to be examined. If the company wants to fill the buses, it has to examine its fares. There is no point in it suggesting it is providing a service but that few people are using it. The reason people do not use it is they cannot afford the fare. Bus Éireann could fill or partially fill the buses if there was a common-sense approach to fares.

My other concern relates to the jobs lost in the Expressway service. Will the changes lead to a loss of jobs? If so, how many will be lost? I realise Bus Éireann is in a difficult position. My primary concern is for services to west Cork, but I am also keen to ensure rural communities have a good bus service. As I said, we do not have a Luas service and we are continuously being told that we cannot drink and drive and so on. People living in isolation in rural areas are totally dependent on having a good Bus Éireann and a good rural transport service. There is an excellent rural transport service in County Cork, but if we do not have local regional managers to look after Bus Éireann services, people living in rural Ireland will be at a loss. That cannot be allowed to happen.

Mr. Ray Hernan: I fully agree. Local knowledge is critical for us not only in providing the most appropriate service but also in allowing us to compete effectively against local operators in areas where there is competition. We would like to have a national policy, but it must be localised for the various services provided. We are carrying out reviews of our overall structures. My objective is to review all structures, including regional structures, to establish whether we can operate services better for the customer. The view is that the service must improve and that we can provide it more effectively from a cost perspective also. We are examining that matter in considerable detail, but I do not foresee any situation under a new structure in which there would not be involvement at local level. It may be different, but it must and will be maintained.

Regarding fares, we provide ground-level feedback for and work closely with the NTA to highlight any nuance that needs to be considered. However, we must implement the fares it lays down on the PSO network. We assess this matter with it continuously in partnership.

On the final point about the possibility of job losses in the Expressway service, I do not want it to lose any job. We may be changing certain routes, but we are trying to minimise the number of changes, while also determining what can be done with staff on those routes that we may leave in terms of redeployment to other services, for example, PSO services. In regional towns and cities our business grew by 9% last year. That marketplace is growing significantly. The NTA provided us with an extra 100 buses last year - we will receive a further 100 this year - as replacements and to allow us to continue to grow. There will be opportunities for existing staff to move across if there is any loss of routes on the Expressway network.

Chairman: Glaoim ar ionadaithe Iarnród Éireann a gcur i láthair a dhéanamh.

Mr. Jim Meade: With my colleagues, I thank the joint committee for its invitation to attend this discussion on the topic of sustaining viable rural communities as it relates to Iarnród Éireann. Our chief executive, Mr. David Franks, extends his apologies for being unavailable to attend.

Under EU directives, Iarnród Éireann is organised into separate businesses - railway undertaking and infrastructure manager. As director of the railway undertaking, I am responsible for

our train services and the maintenance of our fleet and stations, while the infrastructure division maintains track, signalling and other infrastructure assets. The services we provide are contracted by the NTA and funded by a combination of fare revenue and PSO funding from the NTA. Service levels, the level of PSO funding and fares are determined by the NTA.

I wish to give the committee an overview of Iarnród Éireann's operations. In 2016 we carried 42.8 million passengers, an increase of 8% on the figure for the previous year, and 100 million tonnes of freight. We operate a fleet of 638 carriages across a network of 1,700 km, maintaining 1,000 level crossings, 5,100 bridges, 4,900 cuttings and embankments and a range of buildings and structures, including 144 stations. On a weekly basis our team of almost 3,800 people maintains this network and operates 4,300 passenger train services and 50 freight services. Additionally, Iarnród Éireann is the port authority for Rosslare Europort, the State's second busiest port, which handles 2.3 million tonnes of freight and 900,000 passengers annually.

On a national level, excluding DART, Dublin commuter and Cork commuter services, we operate trains on nine radial routes from Dublin and three regional routes. As well as providing transport services and employment directly, we are a significant contributor to local economies, with more than €53 million spent in contracting businesses outside the Dublin area for the supply of materials, goods and services.

The rail network also contributes to the communities we serve nationally by connecting communities to one another and major urban areas; enabling us to meet our national environmental goals to reduce emissions from the transport sector under EU and UN agreements; facilitating access for all to employment, education and health services; supporting tourism and local businesses; partnering with private rail tourism operators such as Belmond Grand Hibernian and Railtours Ireland; operating special services for events and groups, ranging from the GAA to Gaeltacht specials; and supporting the voluntary sector in communities through our Journeys programme which gives a free group travel trip to 100 community and voluntary groups each year to encourage people into the public transport system. However, we do not exist in a vacuum. Public transport in general and rail transport specifically need planning to support the effective and efficient delivery of services. Effective planning generates the population and demand necessary to sustain our services, maximise the key strength of the rail service at a national level and provide fast and efficient connections between population centres. We look forward to the launch tomorrow of the Ireland 2040 national planning framework and subsequent public consultation.

Like many public and private organisations, we have experienced a challenging number of years. Following the growth and expansion of services, renewal of fleet and upgrade of stations delivered towards the end of the last decade, a catastrophic fall-off in economic activity, passenger demand and Exchequer funding took a heavy toll. Notwithstanding this, Iarnród Éireann prioritised the protection of existing services as we reduced costs and worked to address the crisis, with the majority of services retained and new lines and services opened, including from Cork to Midleton and Ennis to Athenry. Thankfully, since 2013, passenger numbers have been growing again across the network. However, as detailed in the recently published rail review, we remain significantly underfunded - by an average of €103 million per annum - for the levels needed to maintain the current network and service standards. The NTA's public consultation process seeks to inform a policy on the future role of rail services in Ireland and examine options to address the funding gap. It ranges from significant levels of additional Exchequer funding to the closure of some rail lines, all of which involve difficult decisions within scarce resources. These decisions are not ours to make, but we will continue to focus on providing the

service levels we are contracted to provide. We aim to continue to enhance our services to meet the needs of the country and look forward to achieving the financial sustainability necessary to achieve this.

We are seeing growth again. In turn, this will bring us challenges to cater for growth in demand. With the NTA, we are assessing the options for the fleet expansion necessary to cater for travel nationally so as to ensure we will be able to respond to the needs of our customers in the coming years. This includes reinstating a small fleet of railcars that were withdrawn during the recession and examining options for new fleet expansion. Investment that will be of benefit to customers nationally includes: the introduction this year of our Customer First programme which will transform ticketing, website and customer service channels to enable us to provide for and understand our customers' requirements better; line speed investment which will continue this year along the Dublin-Cork corridor to improve journey times on many routes, including Dublin to Kerry and Limerick; the DART expansion programme which will build a network that will have capacity for growth on all of our services, including intercity services; and, in the long term, plans for the electrification of the network to further strengthen rail's status as the most environmentally friendly mode of transport, as well as enhancing performance.

While we face considerable challenges, we are also ambitious for the future. Tomorrow will mark the 30th anniversary of the establishment of Iarnród Éireann, as well as that of our colleagues in Bus Éireann and Dublin Bus. We want to maximise our contribution to meeting the needs of our customers, the communities we serve and the economy and environment of the State in the future as we have endeavoured to do in the past 30 years. We welcome committee members' support and that of their parliamentary colleagues as we address our challenges and ambitions.

Deputy Éamon Ó Cuív: I should preface my remarks by saying I might be the only person present who travelled on the Harcourt Street railway line as a young child. I saw it close. The State stated it would never be viable to have a train service to Dundrum and Bray. It subsequently bought the line back at significant cost for what is now the Luas service to St. Stephen's Green. Therefore, it is important that we plan for the future.

A report on rail services was recently published. Mr. Meade undoubtedly has it with him. Will he look at page 55 - "Summary route level P&Ls - 2015 AECOM" - as I have specific questions to ask?

Mr. Jim Meade: To which section is the Deputy referring?

Deputy Éamon Ó Cuív: It is entitled, "Summary route level P&Ls - 2015 AECOM", and outlines the profitability of various routes. Does Mr. Meade have the report?

Mr. Jim Meade: Yes.

Deputy Éamon Ó Cuív: Is the final figure the net loss or profit on each route?

Mr. Jim Meade: Correct.

Deputy Éamon Ó Cuív: If I read it correctly, the loss on the Dublin commuter route is €53 million.

Mr. Jim Meade: Collectively.

Deputy Éamon Ó Cuív: On the Dublin-Cork route, the loss is €45 million. Is that correct?

Mr. Jim Meade: Correct.

Deputy Éamon Ó Cuív: On the Limerick Junction-Waterford route, the loss is €12 million.

Mr. Jim Meade: Yes.

Deputy Éamon Ó Cuív: The Limerick to Ballybrophy route is €11 million.

Mr. Jim Meade: Correct.

Deputy Éamon Ó Cuív: Why is Iarnród Éireann touting that it solves all its problems to close all those railway lines when they are relatively small loss makers? I know the arguments about passengers. Forget about that. In absolute cash terms Iarnród Éireann is trying to save its balance. Why is it being put forward that if those two railway lines are closed, plus the lines from Gorey to Wexford and from Ennis to Athenry that its problems will be solved, even though in cash terms, out of a total loss of €300 million they account for only €20 million, which is a very small sum of money?

Mr. Jim Meade: The Deputy partially answered himself. He mentioned the per passenger metric. Those are absolute numbers, and it is not a per passenger cost. The patronage on Dublin to Cork, for example, is far in excess of that.

Deputy Éamon Ó Cuív: That point is taken.

Mr. Jim Meade: Iarnród Éireann is not attempting to close any routes. The exercise has been carried out. The rail review must look at all the options open to it, including whether routes require more subvention or if some routes should be closed. The National Transport Authority, the NTA, will make a judgment on that at the end of the consultation phase. We operate the routes for the NTA.

Deputy Éamon Ó Cuív: Would the witness accept that I did not come down in the last shower? This has been a very carefully choreographed move by Iarnród Éireann, which has run very poor services on these lines that nobody in their senses would take. Would Mr. Meade accept that it was very curious that the focus of the media reporting of this issue was on this €11 million or €12 million as being the solution to its problems, which is less than 10% of Iarnród Éireann's losses?

Segment analysis has been defined along four routes. This report has a map which shows certain lines, which happen to be Athenry to Ennis, Limerick to Ballybrophy, Waterford to Limerick Junction and Rosslare to Gorey, in an orange colour compared with the blue. When we go behind that we find a detailed analysis on bus alternatives. That, on television soap operas, would be considered leading the witness. Would Mr. Meade accept that Iarnród Éireann was leading the witness through this report and creating public opinion to close these railway lines?

Mr. Jim Meade: I would not. This report involved an analysis of the whole network and what each segment of the network costs to operate. It reflects the cost per route and per segment of route, taking into account the level of patronage on those routes. Those branch lines are costing the numbers outlined to run, as the Deputy has said. That is the level of subvention. The services on them reflect the current level of patronage and the current level of investment. Those routes will require significant investment in the long term if they are to remain part of the network.

Deputy Éamon Ó Cuív: I am almost finished. I think we need to look at what will happen

in the future as opposed to how things are now. I have the Iarnród Éireann app. I know how many trains are coming in from Nenagh and Roscrea to Limerick every morning, from Athenry and Craughwell into Galway every morning, and on every line into the cities that the Minister for housing, Deputy Coveney, says he will develop, which are Waterford, Cork, Limerick and Galway. What is absolutely clear is that there is no commuter policy into these major, growing urban areas which are, according to the media, to be designated as growth centres. We are now being given the exact same reason that Iarnród Éireann gave for closing the Harcourt Street railway line and selling it off, which is that there is no patronage on these lines. Has a commuter policy been developed on these radial routes out of these major urban growing centres, and has that been put to the NTA? What would it take to provide frequent, efficient commuter services for a 45-minute commute in each direction into the cities along these routes? Has that policy been developed and put to the NTA?

Mr. Jim Meade: I can clarify that the NTA has asked us to start looking at those policies and looking at what would be involved in providing such services to some of those centres. We have to bear in mind the level of investment that would be required in a rail network to give a high level of commuter activity into centres like those the Deputy mentioned that have a single railway line and a single track which can only have one train in one direction at any one time. The ability to go two ways is not available.

Deputy Éamon Ó Cuív: Absolutely.

Chairman: I want to bring in Senator O'Donnell to address Bus Éireann and Iarnród Éireann.

Senator Marie-Louise O'Donnell: I will just address Mr. Ray Hernan from Bus Éireann. I was not here for the other presentation. I thank Mr. Hernan for his presentation, which I found very interesting.

Why are there no structures within the organisation which offer the best outcomes? He said it does not have them. Why are the structures not in place?

Why are unions refusing to talk to Bus Éireann? I also want to ask Mr. Hernan about Deputy Jim Daly's suggestion of a €6 fee per travel pass holder and if he thinks it is a good idea considering the €8 million to €9 million owed? I completely agree with the idea of free travel for older passengers.

Mr. Ray Hernan: Just to clarify, when the Senator mentions outcomes, does that mean outcomes in terms of a financial plan to turn the business around and make it sustainable? If that is what the Senator is referencing, I will say that I have come into the organisation at a very difficult time in its history. I take my responsibility very seriously. I have a lot of staff working on my behalf and on behalf of the Government. What we are trying to do is a root and branch review of every single cost line and every single structure within the organisation. We cannot avoid assessing the efficiency of our staff as well, and the structures that surround the staff, including pay structures, and analyse whether that needs to be changed to bring it into line with what our customer needs.

We have to accept as well that payroll represents approximately 40% of the total cost base, so unfortunately it cannot be ignored. I believe that we do not have the most efficient structures in place. What I have done to stem the tide of the continuing financial loss is that we have implemented measures which were already part of collective agreements, but which had not

been implemented across the whole network. We are trying to take very concrete steps to ensure the viability of this organisation going forward. I am more than happy to listen to anybody who has any other suggestions as to what we should be doing to try and stem the losses that are currently occurring. What I want to do ultimately is come up with a viable long-term solution to the financial difficulties that we have.

I am more than happy to speak to anyone, including the unions. My challenge, in terms of trying to meet the unions, is that we have a very obvious financial crisis. If we do not start to make changes very, very quickly we are going to run out of reserves before the end of this year. I wrote to the unions inviting them to meet but they all declined. I had to include a deadline to apply urgency to the matter, because ultimately the board of our organisation has to approve the 2016 accounts before the end of March.

If we do not have a viable plan ready which shows the board a return to profitability within a period of time, then under its fiduciary duties it will not be able to sign off on the accounts of Bus Éireann as a going concern. That creates a massive vista that I do not wish to go near. It is absolutely critical that the unions, which represent our staff and which I will have to work with going forward to implement the service that I believe our customer wants, must engage very urgently. I laid out in a very detailed letter what I felt needed to be discussed. Last week, at another Oireachtas committee meeting, I outlined that I do not see these as preconditions. Rather, we highlighted them to the unions as issues we need to review and change if we are to become fit for purpose as an organisation that best serves the customer.

Senator Marie-Louise O'Donnell: Deputy Jim Daly made what I thought was a very creative suggestion. I did not think it was laughable or silly, although some members of the public did not subscribe to it. He stated that we could get rid of the debt if every person who got free travel paid €6 per year. I thought it was a very good suggestion. We need creative suggestions when there are problems and chaos.

Mr. Ray Hernan: Unfortunately, I do not set Government policy. I implement and operate it.

Senator Marie-Louise O'Donnell: What does Mr. Hernan think of it as a suggestion?

Mr. Ray Hernan: What I want to see is increased funding, from whatever source, to support Bus Éireann. However, seeking additional funding does not fix the underlying problem that I believe exists internally in the organisation.

Chairman: Does Senator Hopkins wish to address either of the organisations before us?

Senator Maura Hopkins: I apologise that we had to step out for a vote. My question follows on from what Senator Marie Louise O'Donnell has spoken about with regard to efficiencies. Mr. Hernan has stated that his priority is the service user - which, absolutely, is a priority for everybody - and that the plan is to ensure that there are more services within the existing subvention. He has spoken a little about efficiencies and the need for increased funding from whatever source. I am a little confused regarding his plans for more services within the confines of the existing subvention. Will he expand further on this? He emphasised the fact that there is no point in giving more money when we cannot see better efficiencies. However, I get a strong sense from the presentation and the questions that we have a problem with regard to structures and efficiencies in Bus Éireann. I want Mr. Hernan to lay out clearly what will change to create more services within the existing subvention.

Mr. Ray Hernan: I will speak specifically about what I regard as the structural changes and I will take a very simple example. We have a bus fleet for the PSO offer and the Expressway service. We have a maintenance policy whereby we maintain all our vehicles during the day and only during weekdays from Monday to Friday. My view is this is when they should be on the road and not in the garage. We are now in a situation where, despite investment, we do not have the maximum number of buses available in our existing fleet to meet peak-time requirements. Ultimately, this means that we have to hire what I accept are more expensive buses. For me, this is an absolute inefficiency. We are going back to very basic business sense, which is to maximise the availability of the bus fleet during peak times and get as many people as possible on them at those times. My overall objective is that with improved ticketing technology - and we have a poor ticketing system in Bus Éireann at present - we can encourage more people to use our bus fleet during off-peak times when invariably they are half empty. With regard to trying to drive revenue, we need to be much more creative in the fares we offer on Expressway and PSO routes to encourage more people to use our buses during off-peak periods. This is a simple example of the efficiencies we can achieve. If we create more value for money through these measures, then for the same subvention we can offer more services throughout the country.

Senator Maura Hopkins: That is helpful. We need to be assured that the State funding provided is used to ensure efficient service provision. I do not feel assured of this at present. My sense is that, as Mr. Hernan stated, a huge root-and-branch restructuring is needed. As representatives, we need to know, in practical terms, what measures Bus Éireann will implement so that there will be value for money and that the best service possible will be offered in rural and urban areas.

Mr. Ray Hernan: We are implementing a significant amount of change in terms of assessing costs, which have nothing to do with payroll. As I mentioned, we are looking at issues such as fleet utilisation and fuel-efficiency measures. In addition, all non-discretionary expenditure throughout the entire company is being assessed. If it is not necessary to allow us to run a bus, then we do not spend. This is a change in mindset as much as it is a cost focus. It has already happened. We implemented changes at the beginning of last week that are already driving material savings critical to the well-being of the organisation. We will continue to look under every stone. This is my absolute commitment. The more we save in non-payroll costs, the more we can lessen the impact of any proposed changes we may feel we have to implement and maximise the number of people employed in Bus Éireann.

Senator Marie-Louise O'Donnell: Why do the unions not communicate? Mr. Hernan is communicating very well with us and we are not at the top of the list.

Chairman: In fairness, that is a question-----

Senator Marie-Louise O'Donnell: I cannot ask that question.

Chairman: -----we need to put to the unions and they are not here. It is wrong to go off topic and give a platform to one group and not give it to another.

Senator Marie-Louise O'Donnell: That is fair enough, but it is the elephant in the room.

Chairman: That is a question that we could consider ourselves. We could bring in some of the unions and get their views.

Senator Marie-Louise O'Donnell: Okay.

Chairman: I have several questions for Iarnród Éireann. The focus of the committee is regional and rural. It seems that in many respects there has been a retreat by many service providers and, potentially, by Iarnród Éireann, from regional and rural areas. It has been mentioned that the services from Limerick to Ballybrophy, Limerick Junction to Waterford and Limerick to Galway and the Ennis and Athenry routes are under threat. If we look at the map, we see that swathes of the country from Sligo to Dublin and Belfast are simply not serviced by rail. Navan is the biggest town in the country without a rail line. A total of 200,000 Meath people commute longer, further and more often than those from other counties. They are more likely to work outside the county than their counterparts in other counties. We have no plans for a rail link from Pace to Navan, which is only 20 miles, until 2045. On one level, Ministers refer to policies to disrupt the trend towards the over-concentration of population and economic activity in Dublin and to ensure that it happens elsewhere. To disrupt this means services must be provided which are not based purely on demand. In other words, we provide services now to create demand in future. For me, across the entire public transport system, this level of disruption is invisible. How do we fix that? The headline in the presentation is very honest and decent and refers to underfunding of €103 million per annum. This is what we in Leinster House need to fix. How do we fix the lack of disruption with regard to regional development?

Mr. Jim Meade: The rail review document we compiled with NTA support tried to identify the issues the Chairman has mentioned. It identified the €103 million and put all of these issues on the table for a proper debate. To achieve what the Chairman has said, we need to take a look at planning, with regard to where we are planning our centres as mentioned in our statement, whether we are planning where railways can and should be built, and whether we are planning for line extension and improvement, improving line speeds and improving city based services in regional areas such as Cork, Limerick, Galway or Waterford. We have to plan. Rail infrastructure is not short-term infrastructure but has a lifespan of more than 50 years. We must engage in long-term planning and long-term investment. If we do not do that correctly, it will be very hard to achieve what is required.

Chairman: What type of planning is happening in the context of the aforementioned disruption? Are the NTA and Iarnród Éireann working with the spatial plan in developing that disruption?

Mr. Jim Meade: We certainly intend to work with the NTA and feed into the spatial plan.

Chairman: There is an intention there rather than a history of doing so.

Mr. Jim Meade: There has been some history of doing that but our more recent history has been about preserving what we have. We were severely underfunded and we concentrated on not reducing the services we already have. We are only now starting to see the light dawning in terms of looking at expanding or planning for the future.

Chairman: I asked the Bus Éireann representatives about the public service obligation, PSO, per passenger. How does that stand in Iarnród Éireann? It is €1 for Bus Éireann. What is it for Iarnród Éireann?

Mr. Jim Meade: It is €3.11.

Chairman: How does that compare internationally?

Mr. Jim Meade: I would have to research that. I do not know but that information would be available.

Chairman: I ask Mr. Meade to pass on that information to the committee. We do not know how it compares with other countries but we do know that it is three times the cost to the State, per passenger, to transport people by rail as opposed to by bus.

One of the difficulties we have in this country is that we are building motorways and looking to build rail lines on the same space and, often times, travel by the motorways is simply faster. I know that work is being carried out on a number of routes in an effort to speed up journey times. I ask Mr. Meade to give us a material outline of what is happening in that context. How fast will certain journeys become?

Mr. Jim Meade: We are trying to speed up the lines on the main arterial routes initially. Over the past couple of years, we have done some work on this. We have invested €10 million per year on the Cork route to carry out what we call ballast cleaning, which is essentially like rebuilding a road. We are rebuilding the road under the tracks and the ballast. I am sorry to use technical terms but basically we are refurbishing the road under the trains. That work means that trains can travel at 100 miles per hour on the majority of the route from Dublin to Portlaoise. People talk about quick journey times. The train to Cork is faster than a car if one is driving legally and if one is travelling from city centre to city centre. People will say that they can do Dublin to Cork in “X”, “Y” or “Z” but if there were more Garda Gatso vans out there, they would not be doing it so quickly. We all see that on the motorways.

Our plan is to gradually and consistently build up the speed on those routes and over time, in the context of the longer term policy, we need to look at electrification. It is the most environmentally friendly and safest way to travel.

Chairman: How much quicker is the Dublin to Cork route today than it was in 2008?

Mr. Jim Meade: In 2008, the average journey time to Cork was around two hours, 45 minutes. Today, the average time is two hours, 30 minutes and we have also recorded two hours, 15 minutes and two hours, 20 minutes. We have made those step changes over the years -----

Chairman: Is that happening elsewhere in the State?

Mr. Jim Meade: Yes, on other parts of the network.

Chairman: What is the timescale on electrification? Mr. Meade made reference to the longer term policy but how long is that?

Mr. Jim Meade: Electrification is probably a 30 year project. We will have to plan very long term for electrification.

Chairman: Is that 30 years to start it or to complete it?

Mr. Jim Meade: We could start it next year but it would be a long-term project to electrify the line all the way to Cork. What we should be thinking about, though, is electrifying the network from Belfast to Cork.

Chairman: I ask Mr. Meade to outline the picture in terms of new opportunities, like extending the line to Navan, for example. A number of new commuter lines have been opened in recent times. What is the company’s plan in that space?

Mr. Jim Meade: We opened up some new commuter lines in the early part of the recession which had been in planning from the mid-2000s. They opened in 2007, 2008 and 2009 but we

have not opened any more since then. At the moment, there is no plan on the table for any new lines. As I said, it has been about retrenching, preserving what we had and making that work.

Chairman: Okay. Deputy Collins is next.

Deputy Michael Collins: I do not have many questions because, unfortunately, the trains do not run my way. My only question, therefore, is whether the company has any plans to bring a rail service back to west Cork, even as far as Bandon. We are in a situation where many people who have to travel to Dublin must travel 80 miles by car before they get to the nearest train station. There was a rail line all the way into the peninsula long ago. It is incredible to think that we had a rail line 100 years ago but do not have one today. Is there any plan to really open up west Cork for business in the future?

Mr. Jim Meade: Unfortunately, no. West Cork is a lovely part of the country. I spend a lot of time there but I do not envisage trains running there in my lifetime.

Deputy Michael Collins: How do we plan for that to happen? We can all say “No” and we will get nowhere in life.

Mr. Jim Meade: That is a Government decision. Our responsibility is to operate and manage the existing network. That is a long-term issue.

Deputy Niamh Smyth: I am from Cavan and right across from the east coast to the west coast, taking in the entire Border hinterland, there are no rail services whatsoever. That is why Bus Éireann and its Expressway service are so vitally important. There is a lot to be desired in terms of our road infrastructure in the context of opening up that whole area. Are there any plans to open any rail lines through Navan into Cavan, for example? As Deputy Collins has already said, there were rail lines all over the country 100 years ago and the tracks are still there in many places.

Mr. Jim Meade: Currently, no. There were lots of rail lines in that area and it is a pity that some of them were taken out but-----

Deputy Michael Collins: Earlier Mr. Meade said that the company has plans to extend the network. Where will that be happening? It is not happening in rural Ireland.

Mr. Jim Meade: We have plans for speeding up journey times and putting on extra services on the existing lines-----

Deputy Niamh Smyth: There will be no new lines.

Mr. Jim Meade: No, that is correct.

Deputy Éamon Ó Cuív: Does Iarnród Éireann keep a record of all passenger movements on the lines? In other words, can the company tell us how many people alight and embark at every station around the country every day or does it rely, in the main, on a one day census in November every year?

Mr. Jim Meade: No, we do not rely on the census. That gives us a snapshot but our ticketing system gives us origin and destination information for every ticket.

Deputy Éamon Ó Cuív: Is that analysed?

Mr. Jim Meade: That is analysed, yes.

Deputy Éamon Ó Cuív: Can that data be made available?

Mr. Jim Meade: It can, yes.

Deputy Éamon Ó Cuív: I would appreciate it if Mr. Meade could send that information to me because I have been looking for it for years. Does that take into account or record all those people who travel courtesy of the Department of Social Protection? Such travel is not free because Iarnród Éireann gets paid for it. Does Iarnród Éireann have a record of where all of the people with free travel passes embark and alight?

Mr. Jim Meade: Yes, we do.

Deputy Éamon Ó Cuív: Does Iarnród Éireann get full-cost recovery for those journeys from the Department of Social Protection?

Mr. Jim Meade: No, not full-cost recovery. It is a fixed amount, irrespective of how many journeys pass holders take.

Deputy Éamon Ó Cuív: Is that irrespective of how many journeys and the routes involved?

Mr. Jim Meade: Yes.

Deputy Éamon Ó Cuív: Therefore, in terms of the routes on which pass holders travel heavily, Iarnród Éireann does not really know how many people are using those routes.

Mr. Jim Meade: We know how many people are using them.

Deputy Éamon Ó Cuív: When a passenger is using a free travel pass, that is recorded. Is that right?

Mr. Jim Meade: Yes. People are required to produce their free travel pass when getting a ticket. They are then issued with a zero-cost ticket.

Deputy Éamon Ó Cuív: On some services a ticket is not required.

Mr. Jim Meade: On some, yes. There would be exceptions to the rule, of course, but we would have very strong-----

Deputy Éamon Ó Cuív: What services do not require a ticket?

Mr. Jim Meade: -----indicative numbers. We conduct the census but we also do our own checks, including our revenue protection checks. Can we account for every single one-----

Deputy Éamon Ó Cuív: No, I am asking for what services there is no record of free travel passes.

Mr. Jim Meade: There are many services for which we have no record.

Deputy Éamon Ó Cuív: Is there a record, for example, for the DART service?

Mr. Jim Meade: We have flash passing on the DART service now. The new Department of Social Protection cards open the gates and they are counted.

Deputy Éamon Ó Cuív: They are counted. Does Iarnród Éireann have any data on the number of travellers on the inter-city routes? By the way, that is a total misnomer because they

are actually inter-regional routes and the trains stop all over the place. Has the company any data for those routes, including Dublin to Cork, Dublin to Galway and so on, on the number of travellers who are, in fact, daily commuters?

Mr. Jim Meade: We would have some data on that because daily commuters would buy commuter tickets.

Deputy Éamon Ó Cuív: No. They could commute and pay for a ticket each time.

Mr. Jim Meade: That would be a very expensive way of commuting. A commuter ticket would be far cheaper.

Deputy Éamon Ó Cuív: Yes, but has Iarnród Éireann got good data on how many of its customers are commuters?

Mr. Jim Meade: We have, yes.

Deputy Éamon Ó Cuív: If we take the example of people who take the train from Dublin to Athlone, could 50% or 60% of them be commuters?

Mr. Jim Meade: I would not have the percentages in my head but we have the data.

Deputy Éamon Ó Cuív: Will we be able to get those data?

Mr. Jim Meade: Yes.

Deputy Éamon Ó Cuív: That is critical information because it seems to me that the real growth in public transport use, particularly train use, is in commuter travel. It might be commuting halfway across this State, but it is still commuter travel. It is five days a week, up and down to work. I know somebody who commutes from Galway to Dublin to work. That is key because of what I said earlier about the regional cities. Could Mr. Meade tell me how long it takes to go from Galway to Athenry?

Mr. Jim Meade: That section takes maybe 13 minutes.

Deputy Éamon Ó Cuív: About 22 minutes on the-----

Mr. Jim Meade: Yes.

Deputy Éamon Ó Cuív: Getting out of Parkmore Estate takes an hour and a half on some evenings for many people in Galway. I checked here, and between 8 a.m. and 9.30 a.m., three rail services go from Athenry into Galway.

Mr. Jim Meade: Yes.

Deputy Éamon Ó Cuív: Would Mr. Meade not think that it would be very attractive for people to commute as far as Athenry even if they left their cars there and travelled another 30 miles if there was a 15 or 20 minute service into Galway, as well as a matching service out of Galway in the evening? The time saving would be enormous.

Mr. Jim Meade: There is absolutely that benefit, but we have to correctly fund the railway that we have first before we start to expand into other areas. Then we need to work with our colleagues in the National Transport Authority, NTA, and see how much we can expand those regions.

Deputy Éamon Ó Cuív: We are here as Members of Oireachtas Éireann. We are not here to discuss matters as is, because they are a disaster. We are here to plan for the future in major policy issues.

Chairman: Could An Teachta Ó Cuív let Senator O'Donnell speak briefly? She has to go to a vote in the Seanad.

Deputy Éamon Ó Cuív: Defending everything all day here on an as is basis misses the point of this committee. What we are looking at is what could be.

Chairman: Would Senator O'Donnell like to make a contribution? The Deputy is over his five minutes.

Deputy Éamon Ó Cuív: There is a famous saying from Mr. George Bernard Shaw that some people see things as they are and others dream of things that never were and say why not?

Chairman: Can An Teachta Ó Cuív let Senator O'Donnell speak? She has to go for a vote.

Senator Marie-Louise O'Donnell: I want to say one thing before I go. I acknowledge Mr. Barry Kenny. I have worked with him before and I want to acknowledge his presence and the great work he does.

I wish to address Mr. Ray Hernan before I go. He is new to this job and I wish him the best of luck. I have listened to him on radio and television recently and I thought he was extremely articulate both then and today. I wish him great luck and hope he will be the one to navigate his way through the impasse that has been created, since I was not able to get an answer on the other side of that. Rural transport is a huge issue for me. I am doing a big study on dying and death in Ireland and rural transport plays such a huge part in people's lives when they are young, when they are well and when they are unwell. It is important that we get it right and that Mr. Hernan gets his company to a stage where it is not in debt of €8 million or €9 million and there is not an impasse with the great people who run it. I wish him the best of luck, and I really was very impressed with him and think he will do very well.

Chairman: We have to hear from the National Transport Authority, so can the Senator come back? I welcome the representatives of the National Transport Authority and invite them to make their presentation.

Ms Anne Graham: I thank the committee for the invitation to attend. I understand it wishes me to address the topic of what it takes to sustain a viable rural community and in my statement, I focus in particular on public transport. To assist me in dealing with the committee's subsequent questions, I am joined by Mr. Tim Gaston, who manages the public transport services within the authority.

Before dealing with the specific areas of focus, I will set the context by providing a brief overview of the remit of the authority. The remit is to regulate and develop the provision of integrated public transport services, including bus, light rail, rail and taxi, by public and private operators in the State, to secure the development and implementation of an integrated transport system within the greater Dublin area, and to contribute to the effective integration of transport and land use planning across the State. In addition to its statutory responsibilities, the authority has various arrangements with the Department of Transport, Tourism and Sport to discharge functions on its behalf. This includes the assignment of responsibility to the authority for integrated local and rural transport, including the provision of the rural transport programme.

Public transport in rural areas is provided in the following ways. Iarnród Éireann provides rail services under contract with the NTA. Even though more than 50% of Irish people live within the boundary of a settlement served by rail, the majority of people in rural Ireland would require a journey by another mode to access rail services. Therefore the existing rail network would not generally provide local rural services, but would provide the onward connections to key towns and cities. Any changes to rail services require the approval of the authority. Bus Éireann provides a variety of services through its commercial Expressway services that are licensed by the NTA, and through a network of subsidised public bus services under a direct award contract with the NTA. Both services serve many rural towns, with frequencies varying from several times a day to a weekly service. Any changes to the subsidised services require the approval of the authority.

While the NTA subsidises public bus services under a direct award contract arrangement with Bus Éireann, we are precluded from providing any subvention whatsoever to commercial services such as Expressway. Other commercial operators provide a number of town-to-town services and intercity services across the State without any State subsidy. If Bus Éireann or any commercial operators are required to withdraw any of their commercial services, the authority will work to ensure that communities are not left behind. We have demonstrated that we can respond to these situations in the services that we provide following the withdrawal of Expressway route 5 and the curtailment of route 7 in 2015.

Bus services are provided under the rural transport programme. These bus services are contracted by the NTA and are managed by 17 Local Link offices throughout the State. The services are primarily demand-responsive services, which comprise 80% of all services, but regular scheduled services between towns are also provided under this programme. The objective of the rural transport programme is to provide a good-quality nationwide community-based public transport system in rural Ireland that responds to local needs. In 2016, funding of €11.9 million was provided through the authority for the programme, with an additional €1.5 million provided by the Department of Social Protection under the free travel scheme. Since assuming responsibility for the programme in 2012, we have focused on restructuring the programme to provide greater efficiency and effectiveness in service delivery. The restructuring programme included the establishment of 17 Local Link offices, which replaced the 35 rural transport groups previously managing the programme. Local passenger services are managed by the relevant Local Link office in each area on behalf of the authority. This restructuring has positioned the programme to better integrate with other public transport services and provides a solid base to expand or adapt services to meet current and future identified needs. Now that the organisational restructuring has been completed, we are focused on optimising the services provided within the funding envelope available. A review of services is currently in progress to ensure they are meeting the needs of local families in rural areas.

The Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs has just launched her Department's action plan for rural development, and the authority is committed to delivering on the actions related to rural transport in the plan, which is a key element of that development plan. It is evident that there are gaps in the provision of rural transport services across the State. Local Link offices are working closely with local authorities and local communities on the assessment of local transport needs, including the needs of those who are socially excluded. With the benefit of this local collaboration, we expect to continue to make considerable progress throughout 2017 on refining and expanding where appropriate the operation of local transport services, in addition to ensuring the optimum level of integration with other public transport services. Local Link offices are the NTA's eyes and ears in rural Ireland and, working together,

I believe we can make real progress in improving local public transport services. Some 21 new regular commuter bus services have been secured in the network in 2016. Regular, five, six or seven day-per-week bus services have been introduced following considerable development work by the authority and the relevant offices in counties Cavan, Monaghan, Meath, Kerry, Waterford, Wexford and Sligo-Leitrim-Roscommon.

In 2017, the authority will continue to identify improvements in existing services and developing appropriate new routes, based on the budget of €15.9 million, which includes the €1.5 million from the Department of Social Protection. More than 40 new additional rural transport services are currently being examined by the authority to be delivered across the State this year. Key features of the developments include greater integration with existing public transport services and better linkage of services between and within towns and villages. The authority works continually with Bus Éireann to provide improvements on its contracted services and is looking at expansion of those services now that the budget for public service obligations has increased since 2016. Kerry and Mayo are two counties that have seen improvements and the authority also promoted the improvements in regional cities, which have seen phenomenal growth in passenger numbers.

These improvements cannot be sustained unless significant improvement work is carried out by the city authorities in providing bus priority measures, particularly now that car traffic congestion is growing rapidly. Improved town service will also be delivered in Athlone, following the success of Sligo bus service enhancements. In exercising its functions, the authority seeks to achieve the provision of an integrated public transport system of services, a network for all users. Where appropriate, we seek to integrate and co-ordinate services to provide for seamless travel options, where change of bus, mode or both is required. This includes the operation of the rural Local Link services, which can facilitate connection to mainline inter-urban services, irrespective of the provider of those services. The NTA is the only body that can bring modes and operators together in an integrated service pattern that provides the best service for rural communities.

A number of key infrastructural items that support public transport are required to increase the attractiveness of public transport, particularly in rural Ireland, namely, bus shelters, accessible bus stops and information at stops. The provision of additional shelters has been highly constrained in recent years by lack of funding. The contract for the provision and maintenance of bus shelters now rests with the NTA rather than each operator. Therefore, we are now well placed to deliver a comprehensive shelter programme if additional funding is made available. Information provision has improved and new bus stop poles and information were rolled out on a pilot basis in Cork city. Real-time information, while not available on signs at every bus stop, is available on the TFI website and app and through a text messaging service for each service and each operator. However, our ambition to deliver in these areas is very constrained due to lack of funding. The authority will continue to request additional funding for this infrastructure when the mid-term review of the capital plan takes place this year in order that we can deliver a better service for the people of rural Ireland.

Ireland is not alone in having a highly dispersed rural population and a settlement pattern that is difficult to serve by public transport. In an appendix to my statement, I have outlined the strategies suggested by the OECD to improve rural service delivery. We are making many strides in this area.

The authority continues to strive to ensure the delivery of effective and integrated rural transport that serves the needs of rural communities, reduces social exclusion and facilitates

those with disabilities. The authority is following recognised best practice in the provision of demand-responsive services in rural areas and the development of technologies that will assist communities to access the services. The authority has prioritised the integration of health-related transport services and rural transport services with the Local Link offices and the HSE. The authority will continue to provide additional rural transport services under the programme up to the funding level provided by the Departments of Transport, Tourism and Sport and Social Protection. The authority will seek additional funding in order to improve greatly bus shelter and bus stop information provision in rural Ireland. Good public transport offers many benefits to local communities and is a key contributor to their economic and social well-being. It is just as important to offer social connectivity, access to jobs, education and services in rural areas, which will allow rural communities to develop. The NTA will ensure that public transport plays its part in building sustainable rural communities.

I trust we will be able to answer any queries that arise.

Deputy Éamon Ó Cuív: I thank Ms Graham for her opening statement. Perhaps she could answer questions the Minister would not answer. Can she tell me the subsidy paid to Bus Éireann in 2016, give or take?

Ms Anne Graham: In 2016, it was-----

Deputy Éamon Ó Cuív: Was it €40 million?

Ms Anne Graham: Yes, it was about €40 million.

Deputy Éamon Ó Cuív: What was the subsidy paid to Bus Átha Cliath?

Ms Anne Graham: It was €57 million.

Deputy Éamon Ó Cuív: That is give or take €60 million. Would Ms Graham agree that Bus Átha Cliath serves a population of about 1.2 million people, give or take?

Ms Anne Graham: Give or take, yes.

Deputy Éamon Ó Cuív: Therefore, the subsidy is about €50 per person per annum.

Ms Anne Graham: Yes.

Deputy Éamon Ó Cuív: Would Ms Graham agree that Bus Éireann serves a population of about 3.5 million, excluding Dublin? I am taking Dublin out of the equation completely, even though the NTA has many operations in the Dublin area, so that nobody can accuse me of-----

Ms Anne Graham: It is in and around that figure.

Deputy Éamon Ó Cuív: Therefore, the figure per head of population is about €11 per person. The NTA subsidises urban bus services in Dublin per head of population at a rate of between four and five times the rate for services in rural Ireland.

Ms Anne Graham: That is what the figures the Deputy has presented show.

Deputy Éamon Ó Cuív: I did a degree in mathematics. Normally, when figures show something-----

Ms Anne Graham: That is what it is.

Deputy Éamon Ó Cuív: That is what it is. Does she accept that?

Ms Anne Graham: Yes, I accept the Deputy's figures.

Deputy Éamon Ó Cuív: At last I have got an answer to that question. Would Ms Graham also accept that if there were a bus service going between two depopulated villages of 50 people each and if it were the only bus service in rural Ireland, the cost of the subsidy per passenger would likely be very high?

Ms Anne Graham: Yes.

Deputy Éamon Ó Cuív: However, would Ms Graham think it would be a massive injustice at the same time to rural Ireland to call that a bus service?

Ms Anne Graham: If there were only one bus per day-----

Deputy Éamon Ó Cuív: One per day-----

Ms Anne Graham: -----or one per week?

Deputy Éamon Ó Cuív: -----in the whole country for 3.5 million people.

Ms Anne Graham: Obviously yes, that would be-----

Deputy Éamon Ó Cuív: Again, the mathematics tell me that one takes an extreme example and proves one's point. Therefore, the reality, Ms Graham will accept, is that the subsidy per head of population is totally skewed towards urban areas.

Ms Anne Graham: That is what the figures suggest-----

Deputy Éamon Ó Cuív: We agreed that figures tell the truth.

Ms Anne Graham: -----but one can present the figures in another way.

Deputy Éamon Ó Cuív: May we move on?

Chairman: In fairness, we will let our guest finish her answer.

Deputy Éamon Ó Cuív: I do not want it to take up most of my time.

Ms Anne Graham: One can present the figures in a different way, based on demand for services. Obviously, there is a greater demand for public bus services and transport services in urban areas than in rural areas.

Deputy Éamon Ó Cuív: That is because there is a much greater subsidy for services in urban areas.

Ms Anne Graham: In addition, more passenger journeys are made in urban areas than in rural areas.

Deputy Éamon Ó Cuív: We know that argument. We have seen it before.

Ms Anne Graham: We would like to see mode share increase in rural areas. That is our ambition. It is at a very low level for public transport at present. However, to increase it, one would have to make improvements to the services in order that they are more attractive. We

accept there are gaps in services provided. We want to make public transport services more attractive so that more people travel on those services.

Deputy Éamon Ó Cuív: I am very anxious-----

Chairman: I will extend the Deputy's time.

Deputy Éamon Ó Cuív: I am getting responses that do not answer the questions. I have seen Ms Graham's argument put forward many times, so it need not be repeated. Can she tell me how much of the €40 million Bus Éireann subsidy relates to services provided in the urban areas of Galway, Limerick, Waterford and Cork?

Ms Anne Graham: We have not broken the figure down in that way. We consider the PSO as a network of services Bus Éireann provides so we have not broken the figure down into the proportion of the subsidy that is allocated to the city services versus the stage carriage services.

Deputy Éamon Ó Cuív: Would Ms Graham be able to give me those figures?

Ms Anne Graham: We do not do that.

Deputy Éamon Ó Cuív: Am I right in thinking Bus Éireann's fare structure for those urban areas is totally different from the fare structure for the rural services of Bus Éireann?

Ms Anne Graham: Yes. There is a different fare structure in the regional cities from that for the stage carriage services, which are the inter-town services.

Deputy Éamon Ó Cuív: Those fares tend to be much lower per mile, even though the distances are shorter.

Ms Anne Graham: Yes. Generally, they do, but urban bus services have lower fares than the fares for longer journeys on the town-to-town service.

Deputy Éamon Ó Cuív: However, per mile, kilometre, metre or however it is measured, the fares tend to be much lower.

Ms Anne Graham: We have done analysis, and continue to do so, with Iarnród Éireann of its distance-based fares and have tried to establish a fairer structure related to distance for Iarnród Éireann's fares. We accept that changes must be made to Bus Éireann fares, but there is much work involved in the number because it is quite an extensive fare structure. We have already commenced work with Bus Éireann to see how to establish a better and fairer fare structure for Bus Éireann services.

Deputy Éamon Ó Cuív: In policy terms, on what objective, not historical, basis does the NTA determine fare structures?

Ms Anne Graham: We inherited a number of years ago a very complicated fare structure across all the operators. We have been focusing first on Dublin Bus because it carries the most public transport passengers. We have also worked very closely with Iarnród Éireann, as I said. It took us five years to achieve fare changes and a fare structure for the commuter short hop zone for Irish Rail. These are long processes. It takes a number of years not only to identify the anomalies in the fare structure but also to put in place the revised fare structure because it could mean either significant increases in fares or significant decreases in some fares. We have not arrived at what the fare structure will be for Bus Éireann-----

Deputy Éamon Ó Cuív: I have one final question.

Ms Anne Graham: -----but there is still much work to be done in that area.

Deputy Éamon Ó Cuív: Could Ms Graham forward to the committee the NTA's high-level goals as to where it would like to see its fare structure in, say, ten years' time and the objective basis on which it would like to see that fare structure based?

Ms Anne Graham: Certainly.

Chairman: Ideology and policy determine the amount of public transport there is within the State and the NTA works within that parameter. There is a push-pull situation because the NTA has the ear of policymakers and provides them with expert advice on which they rely.

Interestingly, the Government, in its policy approaches, now takes everything outside of Dublin to be rural. We have often asked Iarnród Éireann whether it is feasible to run a rail line from Navan to Dublin, from Parkmore to Galway city or from a particular location to X, Y or Z. The reply has been that it is not feasible or that it cannot be done at present. In Meath, it takes two hours for a mother or father to travel into Dublin and two hours to travel home. In many ways, it is not feasible to have a society where so much of a person's family experience is swallowed up by a commute time that is valueless to that society and that costs the State lots of money in the context of the transportation of goods and services. When we asked Iarnród Éireann about this matter, we were told there are no plans for X, Y and Z. In that context, is there a mechanism by means of which elected representatives or committees could make inquiries? Could we say, "We understand that you do not have a plan or money for a certain route now but we would like to measure the feasibility, which means the volumes that potentially would travel on the route and the costs of providing that service"? For example, €3.11 is the PSO cost per passenger for Iarnród Éireann. Could we approach Iarnród Éireann, as a group or as individuals, and ask what would be the PSO for a rail line from Navan to Dublin and what would be the cost per passenger? If there was a mechanism for us to do so, we could begin to map the future. Deputy Ó Cuív is right to a certain extent because we are not just talking about the constrictions with which the NTA must deal now. It is our job to plan for rural development into the future. My questions are for the NTA.

Ms Anne Graham: As the Chairman knows, we are the transport planners for the greater Dublin area. There is a transport plan in place for the greater Dublin area which does not contemplate a rail line to Navan at present. The option was objectively assessed on the basis of the population growth that will occur in the Navan area. There are two aspects to the provision of a rail line. The first is the capital cost associated with the provision of the infrastructure and the second relates to the operational costs. We are also bound by the public spending code. One needs a positive business case in order to secure the provision of expenditure on a new rail line. That is one of the aspects associated with the provision of rail infrastructure.

In addition, high daily operating costs are a factor. Rail lines are expensive infrastructure to run. The rail review outlined - in very clear actual figures - how much it costs to run the current rail network and the extent of underfunding. If we are being serious, that is the level of investment we must put into the rail network if we want to provide the same level of service. When it is public money that funds the network, we must be mindful about whether there are more efficient methods of using the funding involved. For example, we have to consider whether it might be possible to provide a more frequent service by bus, either for the same amount or for significantly less, annually.

Chairman: I want to drill down into two matters that have been raised. Were the projections in population that the NTA made for the Navan area correct in terms of the results of the census carried out in 2016 by the CSO?

Ms Anne Graham: Yes. We have not seen the breakdown of the 2016 figures. All we have seen is the total.

Chairman: The CSO figures for each county have been published.

Ms Anne Graham: Yes. We have not seen the breakdown into individual areas, so we have not seen the figures for Navan.

Chairman: Meath County Council is working off significantly different projections from the NTA's. Ms Graham has not mentioned population disruption. The policy articulation of the Government is to disrupt the population trends that marked the past 20 years. Transport is one of biggest tools in achieving that goal. If we do not provide services in places where there is not a direct demand now - we would be providing them to create that demand for the future - how shall we achieve the disruption to which I refer in terms of the over-concentration of population in Dublin?

Ms Anne Graham: The NTA is not a land use planner. We respond to how others plan to use land. The national planning framework is a key document and strategy that will come forward and we must be mindful of it in the context of transport delivery in the future. Below that are the regional authorities that set out how land is developed and transport is a key part. They would have to take account of the greater Dublin area transport strategy when they consider the next regional planning guidelines.

Other decisions are made on how to develop this State. The Department then supports whatever development pattern is decided upon by the national planning framework, the regional authorities and the local authorities.

Chairman: What has been the NTA's engagement with the new spatial plan outlined in the national planning framework? What has been the level of engagement by the NTA?

Ms Anne Graham: We have a good level of engagement. The National Transport Authority is represented on the steering group and on a number of working groups. It is important that we are involved in ensuring, as much as possible, that land use is developed close to the existing infrastructure because it reduces travel demand, which is important for the future of the State.

Chairman: If land use is developed close to existing infrastructure, then the current population trends shall continue.

Ms Anne Graham: Does the Chairman mean the current projected population or the current population?

Chairman: We are approaching the development of a city-state in this country. London has 13% of the population of Britain. At present, Dublin county has 38% of the population of the State and, probably in the lifetime of our generation, this is going to increase to 50%. At that point, the country will become a city-state. That is not what one wants to develop. In Denmark, the town of Aarhus was created and it had a population of 70,000. The Danish authorities realised that there was an over-concentration of population and economic activity in Copenhagen. They realised that they needed to create some level of critical mass elsewhere that would be

internationally attractive in the context of demand, etc. They solved the problem by population disruption.

Ms Graham mentioned the location of land for development where transport infrastructure exists. In the main, such infrastructure exists where the current over-concentration of population is happening.

Ms Anne Graham: As I said before, we are not the land use planners for the State. The NTA supports whatever decisions are made by others on how the State is developed. One of our objectives is to try and reduce the travel demand and the distance travelled. Travel infrastructure is expensive to maintain. Why not use the existing travel infrastructure to the greatest extent and increase one's intensity of development in those areas? The measure would reduce journey times and benefit the environment.

Chairman: I agree it is a logical objective. It is just a competing objective with proper spatial planning.

Deputy Niamh Smyth: I asked the Minister for his view on the leaked Grant Thornton report that recommended cuts to Bus Éireann's Expressway routes, which will have a detrimental effect on counties Cavan and Monaghan, and sought a statement. He stated:

Separately to my meeting with the Company Chair, I also met with the National Transport Authority who outlined to me their powers and responsibilities in relation to the provision of public transport services. I was assured by the NTA that it will work with local communities to maintain an appropriate level of public transport connectivity in the event of any reconfiguration of existing services.

Can Ms Graham outline her vision for an appropriate service to Border areas like Cavan and Monaghan?

Ms Anne Graham: That depends on the location. I cannot give the Deputy a blanket statement related to every townland in the State. It depends on what service has changed - whether there have been any changes to the Expressway services. We would look at the towns that had been served by a service that may be withdrawn, work with local communities to see what the demand for services in those areas is and provide an appropriate service. This could be done through looking at the existing remaining commercial services, seeing whether we can extend or change the current contracted services we have with Bus Éireann and changes to the Local Link or new Local Link services if required. We did this in 2015 where, as I outlined in my statement, route 5 Expressway services were withdrawn. We did a number of different things. There were changes to some of the route 4 Expressway services. We extended some of the PSO services contracted with Bus Éireann and provided new Local Link services that fed into those key Bus Éireann services that provided the connectivity. We believe that some towns actually got more service per day and better connectivity because we were able to design the service around local needs.

Deputy Niamh Smyth: Are there any specific plans for Cavan and Monaghan?

Ms Anne Graham: There are no plans at the moment. Bus Éireann would come to us and we would respond. As far as I am aware, there are no plans to remove any Expressway services from Cavan and Monaghan.

Deputy Niamh Smyth: Am I right in saying that the NTA is responsible for pricing? Is

that not what we agreed earlier?

Ms Anne Graham: We approve fares on subsidised services.

Deputy Niamh Smyth: So it has nothing to do with Expressway pricing?

Ms Anne Graham: No.

Senator Marie-Louise O'Donnell: The Realising our Rural Potential: Action Plan for Rural Development is very good. It is about time we had one. Life does not stop at the Red Cow roundabout. In the plan, the NTA has some very aspirational ideas to conduct a full review of public transport. Could Ms Graham discuss this? The NTA says it will work with rural communities to assess and implement improvements. Is the NTA doing that? It says that it will roll out an awareness of rural transport for people who live in rural areas. That is interesting because a lot of the time, we do not know what we are entitled to in terms of revenue. Could Ms Graham explain this? The plan also states it will ensure that the rural transport programme vehicles are accessible and answer passenger needs. The NTA is really the aspirational authority overseeing what the other witnesses from Bus Éireann and Iarnród Éireann are saying. Has the NTA started any of this? When will this start?

Ms Anne Graham: It is ongoing. It has already started.

Senator Marie-Louise O'Donnell: Could Ms Graham tell us about it?

Ms Anne Graham: We took over the management of the rural transport programme in 2012. Since then, we have carried out a restructuring of the programme so there are now 17 Local Link offices providing local rural transport services funded by us. During the downturn, there was reduced funding for the rural transport programme and the other subsidised services so it is only now that subsidy levels have begun to increase. We are now in a position to provide additional services. We provided 26 additional services in 2016 and are looking at another 40 at the moment. We have ambitions to provide even more than that across the State.

What I said in my statement was that Local Link offices are our local contacts on the ground. They work with local authorities and communities to identify where the demand for services is. They bring forward proposals to us and we examine them in the broadest context and make sure that they are as integrated as possible into the service provided by Iarnród Éireann, Bus Éireann and other commercial operators so that we can get better integration of those services. The funding is then granted to them to go and procure those services.

Senator Marie-Louise O'Donnell: As an addendum to that because I did not really get an answer, if so much is happening and words like “integrative” and “facilitating” are being used, why are we sitting here with problems? We have so many assessments and there is so much awareness.

Ms Anne Graham: The recent problems relate to Bus Éireann's commercial services. Its subsidised services are fully funded by the NTA. Passenger numbers on those services are growing. We want to develop those services with it and have been working on this for a number of years. Rural transport is in a position to grow and the number of services is growing.

Senator Marie-Louise O'Donnell: We just heard from Iarnród Éireann that there are no new lines. I will remember that.

Ms Anne Graham: That does not mean there are no new services. We funded the opening

of the Phoenix Park to add additional services to Dublin in respect of a commuter service on the Kildare line. It is not that there will be no new services but there must be a strong business case for the provision of new expensive rail infrastructure. Currently, there are no plans to provide any new infrastructure except the DART underground, which is part of the greater Dublin area strategy. There is a demand for that in terms of the development of the greater Dublin area. The other point the Senator made concerned awareness of the services. As we carried our reviews, we found out that local people may not be aware of the services being provided in their local area so we wanted to raise the awareness level locally by working with Local Link offices to produce leaflets and local radio advertisements to ensure that local people knew about the services being provided for them in their local area.

Chairman: I call on Deputy Ó Cuív.

Deputy Éamon Ó Cuív: Senator Hopkins can go ahead.

Senator Maura Hopkins: I apologise for having missed the presentation. Senator O'Donnell and I had to go to a vote in the Seanad. In respect of the analysis of service routes, we know that customers want faster journey times and fewer stops. They want to get to where they need to go in an efficient way. What analysis is being done, and I presume any analysis is being done by the NTA, that ensures that our routes criss-cross and there is a proper dovetailing of service routes? At what stage is this analysis? I know Ms Graham spoke about the 17 Local Link offices. I am from rural Roscommon where we face big challenges in terms of rural transport. Given that people want to get to where they need to go quickly, which is very understandable, what is being put in place to ensure that service routes criss-cross?

Ms Anne Graham: The services are either developed by the NTA or Bus Éireann, Iarnród Éireann and our Local Link operators' offices. We carry out two levels of review. One is where we take a county and look at all the services within it to see how we can improve them. We published a review carried out in Mayo, put it out for public consultation and received some feedback on it. We carry out high-level reviews but in order to provide additional services to the local communities, we continually get requests to provide additional services from our own different operators. In such circumstances, we carry out a review of how each individual service fits into the wider network before giving approval. This is being done very much on a service by service basis, although we have also examined networks of services in our reviews. At local level, the reviews are carried out on a more integrated county by county basis.

Senator Maura Hopkins: Ms Graham made a reference to a pilot scheme in County Mayo. Is the same analysis made across the country or is there only one pilot scheme in place?

Ms Anne Graham: It was one example, the purpose of which was to identify the level of public response we would receive. It was the first one for which we had a full public consultation process, which is demanding for a small organisation such as the National Transport Authority. While the project required considerable resources, we received good feedback from key stakeholders. This has enabled us to plan, with Bus Éireann, the changes made on its networks. We do some planning, but we would like to engage in many more of these consultations.

Senator Maura Hopkins: I emphasise the importance of services linking up and criss-crossing. We have spoken about centres of population in a number of key urban areas, but a large number of people live in rural areas. Those who do not have access to private transport find it difficult to travel distances if transport services do not criss-cross. It makes sense when issuing licences to ensure a network is being created that stretches as far as possible and reaches

as many as people as possible. This is a very important issue.

Ms Anne Graham: On the issuing of licences on the commercial side, the operators will make proposals indicating which towns they wish to serve and what is of commercial interest to them. The NTA makes decisions based on the demand for such services and whether they can serve the towns in question. It is in the area of subsidised services that we can make decisions on introducing services to fill service gaps and ensure they will feed into the key inter-urban services. While it is not possible to provide a service from every town to Dublin, Galway or other key centres, we want to have an integrated service to ensure people will be able to reach their ultimate destination.

Deputy Éamon Ó Cuív: This has been a fascinating day. Would it assist the National Transport Authority and the three companies represented here if full cost recovery was provided for on the services provided for people with social welfare cards?

Ms Anne Graham: A certain cost is incurred by Iarnród Éireann and the other operators in the provision of services. This cost is being funded through the fare revenue of passengers, the subsidy provided and the free travel payment made by the Department of Social Protection. I am referring to subsidised services only. The norm for cost recovery in other jurisdictions where a free travel scheme is provided is a level of between 60% and 70%. Cost recovery here is not at that level. If it were to increase to the norm of between 60% and 70%, it would mean that fare paying passengers would no longer subsidise the cost of the provision of services and the subsidy being provided by the Department would no longer cover the gap in funding from the Department of Social Protection.

Deputy Éamon Ó Cuív: Will Ms Graham provide the committee with a breakdown of the figures for the three companies, showing the percentage of the real fare the Department of Social Protection pays to each of them?

Ms Anne Graham: We will be able to supply the level of general cost recovery being achieved.

Deputy Éamon Ó Cuív: Yes, I am asking for general rather than specific figures, for example, 30% or 40%.

Ms Anne Graham: Yes, we can do that.

Deputy Éamon Ó Cuív: That would be very useful. We have heard a great deal about commercial services. This is a major philosophical issue. When CIE was founded in the 1930s, private services were operating all over the place. The system was found to be chaotic and unplanned and it was decided to bring services under one roof, with profitable services subsidising unprofitable ones. The idea was that we would have a national company, Córas Iompair Éireann, which literally means “chorses transport of Ireland”. In the areas outside Dublin the commercial services have been hived off and tendered for competition, which means that there is no chance of cross-subsidisation between commercial and non-commercial services. Can Ms Graham assure me that an analysis of every Dublin Bus route will not show that some are more commercial than others, as is the case with bus services in rural areas? If not, why do we have fish for one and fowl for the other?

Ms Anne Graham: Public transport is regulated by Regulation No. 1370/2007, a European regulation which required that contracted services be in place by a particular deadline and clear information to be provided on the level of subsidy provided for service provision. Separately,

member states had to ensure no subsidy was being provided for commercial services. When the National Transport Authority took over the first contract under this regulation and the Dublin Transport Authority Act, a decision was made in advance on which Bus Éireann services would be commercial and which would be subsidised. The authority inherited this position as the decision had been made and the first contract-----

Deputy Éamon Ó Cuív: Who made the decision?

Ms Anne Graham: Bus Éireann made the decision on which services were commercial and would remain in its Expressway-----

Deputy Éamon Ó Cuív: Who asked Bus Éireann to make that decision? Was it the Department of Transport at the time?

Ms Anne Graham: Yes.

Deputy Éamon Ó Cuív: Was a similar decision made in respect of Bus Átha Cliath?

Ms Anne Graham: It was considered that Bus Átha Cliath had a network of services and the full network of services would be included in a public services contract. That was the decision taken at the time.

Deputy Éamon Ó Cuív: What Ms Graham is telling me is that it was possible, under the same European Union regulation and the same national law, to have one service provided on a total network basis and another provided on the basis of a self-declaration by a company on which services were commercial and which were subject to a public service obligation. In so doing the company discommoded itself by placing itself at a serious disadvantage. Will the NTA allow this total dichotomy and different interpretation of the same law to continue, with the obvious results we see for the poor staff of Bus Éireann?

Ms Anne Graham: The NTA has no choice in that matter.

Deputy Éamon Ó Cuív: One or other of the two systems is the appropriate one.

Ms Anne Graham: They both comply with the legislation and the directive. The contracts are in place for the services provided and they are subsidised by the State for Bus Éireann, Dublin Bus and Iarnród Éireann. If changes were to be made, for example, if new services were added to a network of services, the NTA would have to consider whether the services were new or extensions to the network of services provided by Dublin Bus or Bus Éireann. Competition issues would arise if we were to give the contract to the current State operators.

Deputy Éamon Ó Cuív: I would describe the position as “an-aisteach”, but we will move on because the Chairman wants me to do so. Is it within the power of the National Transport Authority to insist on all licensed carriers accepting the free travel pass?

Ms Anne Graham: We do not manage the free travel pass scheme.

Deputy Éamon Ó Cuív: Could the NTA insist that they all accept it? For example, when I was the Minister of State with responsibility for the Gaeltacht, I insisted on Aer Arann and the island ferry services accepting the free travel pass as part of their contracts. Under the relevant legislation, can the NTA do likewise by insisting on any company in receipt of a licence accepting the free travel pass?

Ms Anne Graham: If full cost recovery was provided for, we could do so. The recent experience of the free travel scheme is that a cap was applied to the amount of the payment and no new entrants to the scheme were allowed. As it is managed completely separately by the Department of Social Protection, the NTA would not have been able to impose on commercial operators something that they were not able to achieve by accessing the free travel scheme or recovering the cost.

Deputy Éamon Ó Cuív: If we had a Government that acted, as it is constitutionally bound to do, as a collective and it decided to reduce the Department of Transport, Tourism and Sport money and increase full cost recovery on the free travel pass, could it do it?

Ms Anne Graham: It is something that could be considered.

Deputy Éamon Ó Cuív: It could be done at zero cost to the Government. I will move on to the next question.

Will Ms Graham explain to me why there are no services after 6 p.m. on the radial routes out of towns with third level services? Students are thought to be able to get home every evening if they live within 45 km of the institution they attend because that is the way grants are structured. I am not talking about going to every village or townland, I am talking about two of the major radial routes out of these cities to a place such as Loughrea from Galway or from a place which is the equivalent distance from Carlow. The routes should be along the main national secondaries and maybe the odd regional routes if there is no secondary route.

Ms Anne Graham: The reason there have not been any changes to those services in recent years to provide additional services is that we have not had the funding to provide them. There is now additional funding, and if there is a demand for those services, we will look at them. We would like to see communities being served outside the normal peak hours. We would like to see evening services, if there is a demand for them. We would welcome any applications for those and would assess them accordingly.

Deputy Éamon Ó Cuív: Surely somebody sets the policy. It cannot be done just by people asking for something. Surely the NTA, on behalf of the State, has some comprehensive policy in which it has a vision of what a comprehensive transport system should look like and what it should be working towards. That might mean changing, taking from one and giving to the other if things are unfair.

Ms Anne Graham: Yes. We obviously have to start in the densely populated areas. There are certain parts of Dublin that are not very well served at the weekends and in the evenings. We should start with where we get the most bang for our buck in terms of looking at the big cities to try to increase the services there. We are looking at where we can put in additional weekend services and then look at the other towns. We will not be able to solve every town and townland's problems overnight. This increase in funding has only occurred in the past two years. We recognise there are gaps in services. I will not say there are no gaps. We need local people to identify where those gaps are, bring them forward to us and we will try to resolve those issues.

Deputy Éamon Ó Cuív: We all pay the tax dollars. I pay the same tax as my colleagues here. Rural taxpayers are entitled to services too but we do not get sewage services or bus services. I mean no disrespect to the witness but it seems to me that it is the Dublin transport authority and not the National Transport Authority.

I will move on because the Chairman is getting very impatient with me. Has the NTA commissioned a plan to look at the possibilities over the next 20 to 30 years for the provision of efficient commuter railways into the designated cities of Galway, Limerick and Waterford, which we know will grow rapidly, taking into account what I said in my first statement? I remember when Harcourt Street railway line was sold. Is the NTA developing such a long-term plan in order that we plan properly for the future?

Ms Anne Graham: We have just completed a plan for Galway city in association with Galway city and county councils and we will be looking at a similar one in Cork and Limerick.

Deputy Éamon Ó Cuív: What about Waterford?

Ms Anne Graham: Yes, Waterford will be looked at, as will any of the key regional cities. It would also behove us to await the projections of the national planning framework in terms of development in order that we can plan for the future of those regional cities as well. In terms of our own structure, we have certain statutory responsibilities which are much more focused on the greater Dublin area than outside the greater Dublin area. We would like to have the same statutory transport planning functions outside the greater Dublin area because it is just as important to ensure that land use and transport planning is developed in the same way for Dublin as it is for the regional cities.

Deputy Éamon Ó Cuív: Would Ms Graham recommend a change in the law?

Ms Anne Graham: Yes.

Deputy Éamon Ó Cuív: We should note that because it is a very fair point that even though it calls itself the National Transport Authority, it is really the Dublin transport authority. That is very useful. What was in that plan for Galway and how much analysis was in it of the possibility of commuter rail?

Chairman: I ask an Teachta Ó Cuív to focus on the substantial questions we have to deal with rather than seeking to rename any of the agencies. That is editorial and the Deputy has 15 minutes in the current questioning space. We all have a lot of stuff to do so we should focus on the substance of the discussion.

Deputy Éamon Ó Cuív: What I will say has equal applicability for anybody who lives within an hour of Limerick, Waterford or Galway. There was very little reference and analysis in the plan regarding the possibility of developing proper commuter rail into Galway. I read it when I was on my holidays. I do not want to be told there is something there that is not there. I am nearly finished. Will Ms Graham confirm that a study done by Iarnród Éireann in 2011 concluded that of all the closed railway lines, the Athenry to Tuam line was the one that would most warrant consideration for reopening?

Ms Graham stated there was no proposed reopening of any railway line at the moment or building of new infrastructure. My understanding is here is a proposal to reopen the line from Limerick to Foynes, which conveniently happens to be in a certain Minister's constituency. Will Ms Graham confirm whether I heard that rightly or wrongly?

Mr. Jim Meade: I will answer that. There is a study being done with Foynes Harbour on reopening the Limerick to Foynes line as a freight-only line.

Deputy Éamon Ó Cuív: Freight is transport.

Ms Anne Graham: Yes, it is.

Chairman: One final-----

Deputy Éamon Ó Cuív: Will the witness answer the other question?

Ms Anne Graham: Perhaps a representative from Iarnród Éireann will respond to the issue of the Athenry to Tuam line.

Mr. Barry Kenny: The 2011 strategic rail review analysed many disused and non-existent routes that could have been built and it analysed their feasibility. I do not know whether it specifically recommended any individual route be reopened but it said that of those considered the one with the best potential business case was Athenry to Tuam, as Deputy Ó Cuív mentioned.

Deputy Éamon Ó Cuív: I thank the witnesses for putting that clearly on the record.

Chairman: I will ask a quick question at the very end. Will the witnesses provide the committee with some of the figures from the feasibility studies that were carried out on the routes? The capital cost of the DART underground is €4.5 billion. Could we get the feasibility study on that? The critical performance indicator there would be the cost per projected footfall. That would allow us to compare and contrast investments and their impacts.

I would like to say míle buíochas as ucht teacht inniu. I thank the witnesses for participating in a very interesting and robust discussion. We appreciate their time. Many of the details we have received today will find their way into the report we hope to publish very shortly.

The joint committee adjourned at 5.10 p.m. until 2.15 p.m. on Wednesday, 15 February 2017.