

DÁIL ÉIREANN

AN COMHCHOISTE UM IOMPAR AGUS CUMARSÁID

JOINT COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Dé Céadaoin, 28 Samhain 2012

Wednesday, 28 November 2012

The Joint Committee met at 9.30 a.m.

MEMBERS PRESENT:

Deputy Timmy Dooley,	Senator Terry Brennan,
Deputy Dessie Ellis,	Senator Eamonn Coghlan,
Deputy Noel Harrington,	Senator Paschal Mooney,
Deputy Seán Kenny,	Senator Ned O'Sullivan.
Deputy Patrick O'Donovan,	
Deputy John O'Mahony,	
Deputy Ann Phelan,	
Deputy Brian Walsh,	

In attendance: Deputies Andrew Doyle and Billy Timmins.

DEPUTY TOM HAYES IN THE CHAIR.

The joint committee met in private session until 9.45 a.m.

NRA and RPA: Discussion with Chairman Designate

Chairman: The purpose of the first part of this morning's meeting is to meet with the chairperson designate of the National Roads Authority, NRA, and the Railway Procurement Agency, RPA, Mr. Cormac O'Rourke, in order to discuss the approach he will take in his new role and his views on the challenges facing the two bodies. Members will be aware of the Government decision of May 2011 which put new arrangements in place for the appointment of persons to State boards and bodies. The committee welcomes the opportunity to meet with the chairperson designate in public session to hear his views and we trust it will provide greater transparency to the process of appointing people to State boards and bodies. On behalf of the committee I welcome Mr. O'Rourke.

By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of the evidence they give this committee. If a witness is directed by the committee to cease giving evidence on a particular matter and the witness continues to so do, the witness is entitled thereafter only to qualified privilege in respect of his or her evidence. Witnesses are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise nor make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. I also wish to advise Mr. O'Rourke that the opening statement he has submitted will be published on the committee's website after the meeting.

Members are reminded of the long-standing parliamentary practice that they should not comment on, criticise or make charges against a person outside the House or an official by name in such a way as to make him or her identifiable. I invite Mr. O'Rourke to make his opening statement.

Mr. Cormac O'Rourke: I am honoured to have been nominated as chairperson designate of the NRA and RPA by the Minister for Transport, Tourism and Sport, Deputy Varadkar. I am pleased to attend this committee and to make a short initial presentation outlining my background and the issues facing both organisations.

I grew up in Dalkey, County Dublin and was educated in Scoil Lorcáin and Coláiste Eoin. I then attended UCD where I studied engineering, graduating in 1980. I joined the ESB from college and worked for five years in the steam and gas turbine technical services area and trained at Brown Boveri in Switzerland and Parsons in Newcastle, England. I was then promoted to run a section responsible for monitoring and improving power station efficiency. While at the ESB, I also studied part-time for a master's degree in industrial engineering/business, which I was awarded in 1985.

In 1987 I moved to Irish Intercontinental Bank, then majority-owned by KBC of Belgium. It subsequently became a fully-owned subsidiary. I worked initially in corporate banking, but moved in 1989 to help set up the bank's international aircraft finance operation. In the early 1990s I was appointed as head of the bank's international project finance operations in Europe, the Middle East and Africa. The team grew rapidly, to a point where it had 30 project financiers split between Dublin and Brussels. The team, when I was there, was responsible for several

billion euro of lending for infrastructure, energy and telecommunications projects. During that time I was involved in road projects in England, Hungary and Portugal, tunnels in Belgium, France and England and a number of bridge projects. I was also involved in light rail projects in Manchester and Sydney.

In 2000, I returned to the ESB as investment director and worked on a number of major projects in Northern Ireland, Spain and Poland. This job helped me to look at projects from the broader perspective of an investor, rather than the narrower perspective of a lender. I was fortunate to work for a major semi-state company which has a disciplined and highly sophisticated track record in developing major projects. In 2003, I moved to Goodbody Corporate Finance, where I have advised a number of semi-State and private companies on energy and infrastructure projects, as well as in other areas. A number of years ago I worked with the Construction Industry Council to develop the concept of infrastructure bonds and how to use pension fund money to fund Irish infrastructure.

One could ask how that diverse experience is relevant to the chairmanship of the NRA and the RPA. I have been a director of companies for almost 20 years, starting with KBC Finance Ireland, moving on to ESB subsidiaries in the UK and Europe. In recent years I have been a director of Goodbody Corporate Finance. I have worked on projects as an engineer, a financier and on behalf of investors. I have advised both the public and private sector on the viability and financing of projects for almost ten years.

I will move on to talk about the National Roads Authority and the Railway Procurement Agency. I was approached by the Minister during the summer to chair the merger implementation group for the NRA and the RPA. My focus since then has been on learning about the organisations and working with the two chief executives to see how best to bring these two excellent organisations together, without damaging the capability of either. However, I am still very much a newcomer to both organisations, having only joined their boards within the last month. I will come back to the challenge of the merger later, if I may.

My initial impression of both organisations is that they are well-led and competent for the tasks they have been charged with by the Minister and the State. Many European countries have well developed road networks, and for them the challenge is to make the best use of their existing assets, using network management systems. Other less well developed countries are focused on building a modern road network. Ireland is probably somewhere in between, and must address both tasks simultaneously. We have a partially modernised network that requires advanced network management. We also have a great deal of work to do to improve those roads that are not up to standard.

As the members of the committee will be well aware, a high-quality national road network is critical to the country's economy. National roads are enablers of sustainable growth and social interaction for every region in the country. A trading country such as ours must have good internal transport. Improvements to the network in recent years have been a big driver of the reduction in road traffic accidents. Much more progress can be made in that regard. A central task for the NRA is to continue to develop and improve the road network in all parts of the country and to manage the existing network effectively, efficiently and, above all, safely.

The NRA has overseen an investment of over €17 billion in the last 11 years. The major inter-urban routes are over 740 km in length, with about 470 km of other dual carriageways. The connection of most major cities is a major achievement. While the Celtic tiger era has left a difficult legacy, the building of this significant road network is something of which we can all

be proud. I pay tribute to the skill and dedication of the management of the NRA in achieving that. It was ably led by Fred Barry as CEO and Peter Malone as chairman during the time. We also have two excellent light rail lines.

The RPA has overseen an investment of over €1.5 billion over the last 11 years. The infrastructure was paid for by the public purse but both lines have been able to operate to date without any funding subvention from the State. That is a major achievement for a public transport owner and operator. The RPA and its operator, Veolia Transdev, continue to try to reduce costs and increase revenue where possible. While passenger numbers fell during 2008 and 2009, they increased by 15% between 2010 and today, mainly, it has to be said, due to line extensions. Fare revenue and ancillary revenues, such as advertising, have increased by 7% during 2012. This has allowed recent fare increases to be limited to 2%, in line with inflation.

The priority projects for the NRA are the N11, Newlands Cross interchange and the N17, from Gort to Tuam. Fred Barry recently described to the committee the NRA's drive to improve safety by eliminating the 50 most dangerous bends in the country. The priority for light rail is the delivery of the Luas Broombridge project, announced yesterday by the Minister. The BXD is finally connecting the two Luas lines, but also connecting Luas to much of the city centre bus network, DIT Grangegorman and commuter rail links to Maynooth and Dunboyne. It is hoped that this integrating and connecting project will significantly reduce the number of cars in the city centre, improving the quality of life for all. It is expected that the construction of the line will generate 800 jobs and cost in the region of €370 million. It is expected to generate between 8 million and 10 million passenger journeys, commencing in 2017. With its focus on connectivity, Luas Broombridge should deliver a benefit to cost ratio in excess of 2:1. This project comes on the back of the successful execution of three extensions to the Luas network. The success of the RPA in the execution of Luas has been recognised in that it has contracts advising the cities of Bergen and Utrecht about their plans to introduce light rail.

However, the RPA and the NRA face real challenges in the immediate period ahead. The first and most important of these is the merger of the two organisations. That has to be done in a manner which preserves the competence and motivation of the excellent staff in both organisations. There is still some distance to go in the merger and I will devote significant energy to achieving this in the coming months. The current target is to have a single functioning organisation by the third quarter of next year, subject to legislation being ready. The merger must take place in an open and transparent manner and I will work with the two chief executives to achieve that.

The second challenge facing the new organisation is to fund future infrastructure. I will assist in any way I can to find innovative financing solutions to Ireland's infrastructure needs. I have had the good fortune to have worked on the financing of infrastructure across Europe, as well as in the US and Asia. I acknowledge that financing is both in short supply and expensive. We will work with the relevant Departments to ensure that we apply rigorous cost benefit analysis to all projects.

The third challenge the new organisation will face is to maintain the excellent infrastructure that we already have. I am conscious that in the coming year we will not be able to maintain the existing road network as well as we would like. Cutting back on motorway maintenance expenditure is not a serious issue for a year or two. However, as the backlog builds up and deterioration accelerates, there comes a time when maintenance will have to receive funding priority if many of the achievements of the past are not to be lost.

The fourth challenge I see is the need to continue to contain and reduce costs. I have been impressed by how effectively the NRA and the RPA have reduced their staffing numbers in recent years in response to reduced levels of activity. Both organisations have reduced central numbers by approximately 30%. The NRA, in its oversight of the regional design offices, NR-DOs, has gone even further in reducing staff there by about 50%. In the merger, I will work with the management to maximise synergies and reduce costs where possible.

The fifth challenge, and probably the most important, is to maintain the competence built up by the CEOs of both organisations, Fred Barry and Frank Allen, over the last ten years. There is a need to maintain a critical mass of competence for both roads and light rail in the face of budgetary cuts. While the Government is intent on reducing the size of the public sector, given the need to reduce expenditure, it should not penalise organisations which have been lean and have outsourced as much work as possible in the past. The new organisation should not suffer a disproportionate cut to its staff numbers because of previous prudent stewardship or to meet arbitrary employment control framework numbers. There is a real danger that when we, as a country, are again in a position to invest in roads and light rail, the new organisation will have lost key experienced personnel. The cost to the country of not having the right procurement staff in place in the future will far outweigh any possible savings to be made now from cutting small numbers of staff. I believe that the CEO of the new merged entity, Fred Barry, expressed his concerns on this matter to the committee when appearing before it recently.

It will be a privilege for me to become chairman of the NRA and the RPA and to oversee the merger of these two fine organisations. I look forward to working with the boards, the executive and the staff of both organisations as they merge into a stronger single entity. My goal as chairman will be to lead the board in an effective and efficient manner and to work closely with the Department of Transport, Tourism and Sport to implement the policy objectives communicated by the Minister. It is, I believe, a part of the chairman's role to ensure strong communication and transparency between the company and the Department and I have found the Department to be both helpful and supportive over the last number of months. I intend to challenge and encourage the chief executive and the management team to do more with less and to develop both our road and light rail networks to the best of our ability within severe budgetary constraints.

I thank the Chairman and members for the invitation to appear before the committee. I look forward to working with them in the future and to a time when I can return with a greater level of knowledge of both the new organisation and its important work than that which I possess today.

Chairman: I thank Mr. O'Rourke for his fairly impressive presentation. If it is acceptable to the committee, I propose to take questions from three members at a time. I call Deputy Ellis.

Deputy Dessie Ellis: I thank Mr. O'Rourke for his presentation. I am not sure how people are nominated for positions of this nature but on the evidence of what he said, Mr. O'Rourke's CV is extremely impressive.

Merging the NRA and the RPA is going to present a major challenge. Will this merger result in job losses? What will be the new organisation's main projects? The north-west link is probably the only remaining project to be finished in order that we might complete the road network across the country. What is Mr. O'Rourke's view in respect of this project?

There are problems with regard to the Luas Broombridge, BXD, line, particularly in the context of Campbell's Garage and of the gated crossings at Castleknock and what is known

in the area as Campbell's Bridge. Will those problems, which are giving rise to mayhem and causing major delays not only in the context of those travelling to the west but also for local people, be addressed?

Will Mr. O'Rourke outline his views on the metro north project? I know the Government has shelved the latter but perhaps Mr. O'Rourke will provide an opinion on it. There is a need for a link to allow people to travel to Dublin Airport from the far side of the city. This is a major project and it would deliver a large number of jobs.

Some money is due to be provided in respect of the A5 road project in 2014 and other money has been provided up to now. Is this road vital in the context of linking Dublin to Donegal? What is Mr. O'Rourke's opinion on the matter?

Deputy Noel Harrington: I thank Mr. O'Rourke for his presentation. As Deputy Ellis stated, his CV is extremely impressive.

I welcome the merger of the NRA and the RPA. Getting this merger over the line is, however, going to present a hugely significant challenge, particularly in the context of staff, management and the engineering cohort of both organisations. When the merger has been completed, does Mr. O'Rourke anticipate that conflicts may arise in the context of how the NRA traditionally delivers projects? If such conflicts do arise, how might they be resolved?

Mr. O'Rourke indicated that the existing staff expertise is very important and must be maintained. I submit that in the coming years the challenges to be faced will, in the context of the type of expertise that will be required, be much different to those which obtained during the past 15 years. In the latter period, what was being done revolved around land acquisitions and building new roads. In the future, the emphasis will be on maintaining the new roads that have been built. In the context of rail procurement, the focus will probably be on upgrading existing lines rather than constructing new ones. Does Mr. O'Rourke envisage that many of the existing staff will be moved on and that new people will be brought in to deal with these challenges? What does he believe will happen in the context of expertise, particularly in a changing environment, where the priorities will be completely different to those which obtained during the past 20 years?

Senator Paschal Mooney: I echo my colleague's comments and thank Mr. O'Rourke for a very comprehensive overview of what he sees as being his role. Obviously, he will face many challenges. It appears that during the coming months he will primarily be engaged in dealing with the merger.

Is Mr. O'Rourke in a position to provide an indication of the funding requirements in respect of the maintenance of our national network? Many present will recall that one of the most damaging aspects of the previous recession in the 1980s was the lack of money available for road maintenance and the fact that it took in the region of ten to 15 years to correct the position because our roads had deteriorated to such an enormous degree. Our climate, as much as anything else, is responsible for causing the erosion of our roads. Certainly regional and local roads were affected by erosion in the 1980s and I am sure the position regarding our new motorways is no different. Is Mr. O'Rourke in a position to outline the budgetary requirements and can he indicate from where the moneys required will come?

I appreciate that the new organisation will be dependent on the Minister and general Government policy in this regard and that it will only be able to operate on the basis of the money

available to it. However, I am sure Mr. O'Rourke is going to exert pressure on the Government and the Department of Transport, Tourism and Sport in order to ensure that as much money as is required will be forthcoming. In that context and in light of his own background, will Mr. O'Rourke indicate the role he believes public private partnerships will play in respect of the future of the new agency? In recent weeks the ESB, with which Mr. O'Rourke was previously employed, issued a bond which was oversubscribed to an enormous degree. This suggests that investors who may have stayed away from Ireland in recent years are returning in droves in order to invest their money here. Is Mr. O'Rourke of the view that this may herald something of a change?

Like Deputy Ellis, I am a strong supporter of metro north and am of the view that it is a shame that it has been shelved. I would like to believe that when the merger takes place, the new organisation will press the Government to come up with funding. I understand that the Government must fund a certain element of any PPP. When the Minister shelved the project, he indicated that there was no private investment available. However, it appears that the position in this regard has changed.

Mr. Cormac O'Rourke: I will first address the issue of the merger and the possibility of job losses. What we are doing in this regard represents a major challenge. However, there is not a huge overlap between the two companies. One is a road management and road building company and the other is a railway procurement company. The overlap tends to be in the central areas. It will be another few weeks before we finish the organisational design. I do not expect there to be significant job losses. There will undoubtedly be some retraining and redeployment but I do not expect significant job losses in either organisation. It is a little early to say what will be the position. We have had a first cut at the organisational design and we are now trying to refine it and check what we have done is correct.

I am very familiar with the north-west link, particularly as I travel to Donegal from time to time. As far as I am aware, there is no funding available for this project and it has not appeared on any list of proposed projects. I understand Mr. Fred Barry discussed this matter with the committee on the previous occasion on which he appeared before it. I would be delighted to have money to spend on this project but it is not a priority at present. In the coming couple of years, the priority projects will be the N11, the Newlands Cross interchange and the N17 from Gort to Tuam. Clearly, if funding becomes available for that in the stimulus package, then the next ones are the Enniscorthy and New Ross roads.

There is no point in being disingenuous with the committee about BXD. It will involve a certain level of disruption. We are putting in place significant consultation between the NTA, the RPA and local business interests. We will try our very best to minimise disruption. One of the strengths of the RPA, which we were talking about yesterday at the board, is that when it finishes a project it sits down and instead of patting itself on the back, figures out what it could have done better and asks what lessons have been learned. In that way, it has kept fresh the mistakes that have been made. Engineers are not perfect. I speak as one myself. We all make mistakes. In those circumstances, it is a very strong tool to sit down after a project and say this and this could have been done better and this is how, so it stays in the culture of the organisation. Having recently done three extension projects, the RPA is in a much better position to manage BXD in a way that minimises disruption.

I share the committee's view on metro north. I would love to be in a position for the RPA to build it but the money is not there at the moment. It is a large project. Any of us who has been in cities that have good metro networks would love to have one in Dublin. I am an optimist

by nature. We will get to a point where we will be able to build such major projects, not just light rail but also roads. I would love to see the western corridor and the link to the north west completed. We will get back there but for the immediate period, we are not going to see metro north on the books.

We are keen to keep the railway order alive so that we have the option. One of my jobs in a time of straitened circumstances is to keep options alive. The metro north planning permission will be kept fresh so that if the money becomes available, we can go ahead and build it. Similarly, with road projects, where we have planning permission if money becomes available, whether it is through Europe or directly from the Government, I would love to be in a position to be able to pull down the planning permission and get on with the project.

In response to Deputy Harrington's question about conflicts in the NRA and the RPA, I do not see that. In many ways the two chief executives have done extremely well in working together. There has been no conflict at all. In many ways their skills are complementary. They are basically both procurement agencies and one of the strengths of bringing these two organisations together is that one can have two lots of people who have worked on different types of procurement being able to cross-fertilise their ideas. It will be good for both of them. They can bounce ideas off one another.

Deputy Harrington is right about staff expertise in that there is a different expertise in building and maintenance but they are professionals and they are well capable of being retrained and moving from building to maintenance. As an engineer, I like to see both of those skillsets in the one organisation in order that both the operation and maintenance and building skills are complementary. The lessons one learns in one are transferable to the other. Fred Barry has done a lot of that with the NRA. Many of the people who were involved in building the network are now involved in both operation and maintenance. I feel very strongly that as a country we have just got to keep that expertise in those organisations. They are professional people. They will not be idle. They will be getting ready for new projects and maintaining the existing framework. From that point of view, I hope that when we have money again we will be in a position to start out and not to have to wait around for planning permission.

In terms of Senator Mooney's questions on the funding requirement, we reckon we are approximately €100 million short for maintenance this year, but there is a level of flexibility and the organisation is very well equipped, where there is an emergency or deterioration, to move money between budgets, subject to the agreement of the Department. It is not quite as rigid as it would first appear, but we are short of money. Part of my job is to fight for that maintenance budget so that we do not allow valuable infrastructure to deteriorate.

Moving on to the role of public private partnerships, there has been a great development within recent weeks in the closing of the schools bundle three. It is a major achievement for the National Development Finance Agency. Many of the issues which arose in trying to get that schools bundle closed should be able to transfer to the N11-Newlands Cross project. We are hopeful that will close in quarter two. I share the Senator's optimism. It is good that we are finally beginning to see money flow to this country. The bond that the ESB issued was hugely oversubscribed, which is positive. Similarly, there was huge oversubscription for bonds. That is a positive for this country.

The National Treasury Management Agency is doing a good job of selling this country. It behoves all of us to interact where we can with people and to tell the positives about the Irish story. It is not all doom and gloom. I meet international financiers and undoubtedly there is a

move back towards considering this country in a much more positive light.

Deputy Dessie Ellis: I asked a question about the gates. We have a number of mechanically gated units. There is one just up from Broombridge at Campbell's garage and there is another at Pelletstown. I am interested in the plans to deal with them. They are across the country-----

Chairman: I have three other questions. Could Mr. O'Rourke please respond to that one?

Mr. Cormac O'Rourke: I am sorry. The honest answer is that I do not know. I will speak to the RPA and come back to the Deputy with a response.

Deputy Dessie Ellis: There is a plan to build a bridge.

Deputy Seán Kenny: I welcome Mr. O'Rourke and thank him for his detailed presentation. I wish him success with the two merged agencies. I very much welcome yesterday's announcement of the Luas BXD line to join up the two existing Luas lines and to connect up with other services as well. The construction of the line will cause a number of problems and headaches. Reference has been made to some of them already. I understand that it is proposed to bring the Luas line around by College Green. That would leave very little room for any other kind of traffic. How will it be dealt with in terms of the overall transport layout and services that use College Green? It is a key route for cross-city traffic.

The other question I wished to raise relates to the Luas and safety. As it is an on-street tram system using the same road space as other traffic, safety must be the highest priority. There have been a number of high profile accidents in recent years. One was a crash between a Luas tram and a bus at the junction of O'Connell Street and Abbey Street. A number of people were injured but thankfully no one was fatally injured. Nevertheless, I understand the Luas crashed through a green light for some reason. More recently the Luas was out of action for the better part of a day because of a collision between a bin truck and a Luas tram in the Smithfield area. Inevitably, accidents will happen but we must be assured that safety is of the highest standard. When one is travelling on public transport one does not expect to be involved in a collision with another vehicle.

Another issue relates to the problem of crime and anti-social behaviour on the Luas red line. Frequently, we hear of tourists who travel from Heuston Station to the city centre on the Luas and have wallets or cameras stolen. There is a need for personal passenger security and safety on the red line in particular. There is a problem with drugs on parts of the line as well. There is a need for on-board security on the service.

Deputy John O'Mahony: I thank Mr. O'Rourke for outlining his curriculum vitae. His experience makes him eminently suitable. Given his experience in funding projects, does he see public private partnerships playing a key role in the future?

I questioned Mr. Fred Barry, who was before the committee two weeks ago, on the funding of projects, in particular the Gort to Athenry road. His response was that, while the project was included in the announcement of last year's stimulus package, it is contingent on the sale of assets. If the sale of those assets does not go ahead as quickly as planned, does that mean the project will be delayed?

Mr. O'Rourke said that we also have a great deal of work to do to improve those roads that are not up to standard. I think we have many of those types of roads in the west, but will Mr. O'Rourke describe what he means by "those" roads. I am concerned by his statement on the

maintenance of the motorways and that the funding is €100 million short. Effectively, if there is a shortfall for the maintenance of motorways, is there any provision for the maintenance of secondary routes or will they revert to dirt tracks in the next few years?

When Mr. Barry last came before the committee I put to him the legacy issues arising from the construction of motorways, the snag list, the lack of accountability and the relationship with the local authorities, the grey areas such as flooding, where individuals are being sent from local authorities to the NRA and back again with no resolution of the issue.

Chairman: As no other member is offering, I will follow up on the issue of maintenance both of motorways and the main roads. I am concerned about the maintenance of the road verges, as the weeds are not cut during the summer. The tourists see lovely green fields, but between the fields and the roads are the Buachalán and thistles. That sends out a bad message. How can we overcome that problem?

Signage raises issues for local authorities. The NRA has a strict line on signage but there are insufficient signs flagging places of interest such as the Rock of Cashel and other such places on the main thoroughfares. That is a real problem facing the local people who want to attract tourists to their visitor attraction.

Will Mr. O'Rourke respond to these questions?

Mr. Cormac O'Rourke: Deputy Seán Kenny referred to disruption around College Green. College Green is a key hub and most of the traffic coming from the south side is being diverted through Tara Street to the quays. It is a vital transport link. When the Railway Order was being granted, much of the traffic management issues were dealt with by An Bord Pleanála. I do not know what trade offs were agreed during the planning process. Clearly there were a number of trade offs between Bus Éireann and Luas. There is no simple answer but we have managed the traffic on Harcourt Street. With proper planning and co-ordination between Bus Éireann and the Luas we can overcome the difficulties.

I share the Deputy's concerns about safety. The safety of both passengers and staff is absolutely paramount. All incidents are logged, from a brush with a person who may not even stay around to more serious cases, and they are reviewed. The board of the RPA conducts a review every month of all of the incidents and reviews all cases to see if there are trends to ensure further training is not required. Mistakes will be made, perhaps as a result of tiredness or otherwise. We keep under active review the question of whether staff need further training.

We discussed the anti-social behaviour on the Red Line at the RPA board meeting yesterday. We are working very actively with the Garda Síochána to try to stamp out anti-social behaviour on the Red Line. There are mobile patrols on board to deal with fare evasion and anti-social behaviour. We have a Garda presence on board and continue to provide that over time.

Deputy O'Mahony raised the question of funding projects. The future of public private partnership funding is, I hope, bright. All the indications are that we have overcome all the issues. It is the only form of finance we can find at present. It is very difficult for the Exchequer to fund road projects directly. I agree with the Deputy that some of the roads are not up to scratch. The NRA has developed a very sophisticated condition monitoring system to assess the condition of the roads and a review system for the bends and other unsafe areas. As money permits, we gradually work our way through the list of priority safety areas on the national routes. We will spend €380 million this year on 500 individual projects on the national primary roads. While

that is a great deal of money, it is not as much as we would like to spend and is not as much as we would have had in the past. As the Deputy knows, the NRA does not have a role in secondary roads.

Deputy O'Mahony raised the question of legacy snags, but as I was not aware of the interface problem between the local authorities and the NRA, I must speak to Mr. Fred Barry about it to see if we can find a way to resolve these issues. It does not seem satisfactory that people are being passed from Billy to Jack. That is no way to deal with the public.

I share the Chairman's concern about cutting the grass verges. Where public-private companies have been involved in road projects, the grass areas tend to be cut, as this is part of their performance criteria. Where the project is in public control and is one of the areas where we can potentially cut costs, they are not as well maintained as they should be. It can be quite unsightly and this should be looked at, but it is a question of priority. Do we straighten out a dangerous bend or do we cut the grass? I suspect the wisdom of Solomon is required to resolve those issues.

I am aware that signage is a hot issue for the committee. A new standard has been adopted by the NRA. I will certainly look at the issue of signage for tourist attractions, because we should be directing tourists to such attractions. We will endeavour to address the signage issue.

Chairman: I call Deputy Phelan for a final question.

Deputy Ann Phelan: I thank Mr. O'Rourke for his contribution. His curriculum vitae is very impressive. What impact are the motorways having on the rail network? It seems to be much easier to access the major cities by motorway. It also seems to be a disincentive to use a train. Were motorway traffic projections over-egged, so to speak?

I have a question about the issue of climate change and our carbon targets. The advent of motorways has presented a significant challenge to efforts to persuade people to use public transport. Will Mr. O'Rourke hazard a guess at a timeline for the New Ross-Enniscorthy road? Motorway surfaces are grey and rain is grey. I have noticed that very few lorries seem to have wheel skirts to prevent spray. It is particularly difficult to drive on a motorway in such conditions. We all know it is necessary to reduce speed in those conditions but this is a regular weather feature in Ireland. I acknowledge the difficulties faced by the road haulage sector and I do not wish to impose further regulation on the industry. However, it would be preferable for lorries to use wheel skirts in order to prevent spray from rising on motorways.

Mr. Cormac O'Rourke: I agree with the Deputy that the motorway network appears to have had an impact on the railways. The rail service is fine for getting from one city centre to another. However, it is probably easier to travel by road when going to areas such as west Cork.

On the question about traffic projections, as I understand it, traffic increases in direct proportion to GDP and I think everyone got those rates wrong. Undoubtedly we got the traffic projections for motorways wrong at the time, mostly because everyone, myself included, was over-optimistic about GDP growth rates. I agree with the Deputy that we would probably get the biggest bang for our buck on climate change through the use of public transport in cities rather than transport outside those areas. It is also relevant with regard to mainline rail. My understanding of climate change is that we are a lot closer to our targets but for all the wrong reasons; it is as a result of the lack of growth rather than any proactive actions on our part. Climate change problems are a result of economic success. It would be a good problem for the

country to have.

We are working with the Department in the hope that projects such as the New Ross-Enniscorthy road can be started in advance of the sale of State assets. Once the issue of the sale of State assets has been resolved - once we know the funding is in place - we would hope to commence in advance of the funds becoming available. However, I do not have a date for that.

I share the Deputy's concerns about visibility when driving on motorways in the rain. Lorries at speed are particularly dangerous. I suspect this issue may come under the remit of the Road Safety Authority rather than the National Roads Authority. I will come back to the Deputy on that. Anything which reduces spray levels on motorways is to be welcomed. It is the case that drivers do not slow down in bad wet conditions. Driving through spray is very dangerous.

Deputy Dessie Ellis: I have one question about speed limits on motorways. The current speed limit is 120 km/h. The Minister has indicated he may consider increasing the speed limit on motorways. Is Mr. O'Rourke in favour of such a change?

Mr. Cormac O'Rourke: I was not aware of that. Perversely, despite the fact that people drive faster on motorways, they are by far the safest roads in the country. Visibility is good on motorways. Speed limits are a policy matter. However, I do not think the speed limit affects motorway road safety to a great degree because, unfortunately, accidents happen in the main on secondary roads. I am not convinced that speed limits are the biggest issue with regard to safe driving. I am not an expert on speed limits.

Chairman: That concludes consideration of this topic. Is it agreed the committee will inform the Minister for Transport, Tourism and Sport, Deputy Leo Varadkar, that it has concluded discussions with Mr. O'Rourke and that a copy of the transcript of the meeting will be forwarded to the Minister for his information? Agreed.

I thank Mr. O'Rourke for his help with our deliberations today. I wish him the best in his role. I have no doubt he will be back here at some time in the future.

Sitting suspended at 10.35 a.m. and resumed at 10.38 a.m.

Wicklow Port Company: Discussion with Chairman Designate

Chairman: We are joined by the chairman designate of Wicklow Port Company, Mr. Brendan Newsome, to discuss his proposals for his new role and his views on the challenges facing the company. Members will be aware of the Government decision of May 2012 regarding new arrangements for the appointment of persons to State boards and bodies. The committee welcomes the opportunity to meet with the chairman designate in public session to hear his views. We trust this will provide greater transparency in the process of appointing members of State boards and bodies. I welcome Mr. Newsome and invite him to make his presentation to the committee.

Mr. Brendan Newsome: I thank the Chairman and members of the committee for the opportunity to make a presentation on the subject of my suitability for the position of chairman of Wicklow Port Company. I was born and reared in Ashford, County Wicklow. I am married to Jane and we have two boys, Giles and Philip. All of my working life has been spent in active involvement in the business community of Wicklow town and county. I have submitted a brief

curriculum vitae to the committee but I will deal with some aspects of it.

Since 1980 I have been managing director of my own company, Wire Ropes Limited, based in Wicklow town. The company employs between 20 and 70 people. The number of employees was 70 in the very best of times but the number is much lower now. Between 1982 and 1990, I was president of the County Wicklow region of the Federated Union of Employers, now IBEC. I gained much of my knowledge and information on industrial relations and corporate governance during that period. We served all companies from Baltinglass to south Arklow and Gorey. In 1983 and 1984 I was president of the Wicklow and District Chamber of Commerce. This provided a good opportunity to meet with prospective investors in the Wicklow area and to work with the IDA in attracting new business to the area. It was a good business experience for me. In 1984 I was appointed to the board of the Wicklow Harbour Commissioners which was my first experience of corporate port business. In 1991-92 I was elected chairman of the Wicklow Harbour Commissioners. In 1991, I was appointed to the board of the Wicklow County Enterprise Board. It is an excellent organisation, very well managed and a great place to learn about small businesses, grant schemes, etc. In 1991, I was also appointed to the board of management of Abbey Community College. In 1992, I was elected to the national executive of the Small Firms Association. It is another excellent organisation, the annual general meeting of which I will attend this afternoon following this meeting. I have remained on the executive of that organisation and I have found it to be of great benefit to me in business during the past 18 to 20 years. In 2002, I was appointed to the board of the Wicklow Port Company when it was corporatised and during the period 2002 to 2012, I was chairman of the port company audit committee. I served for one year on the National Economic and Social Council and I also serve on the audit committee of the county enterprise board.

To move on from my personal details to the company, I will focus a little on the past. Members may ask why I would do that. The reason is that Wicklow is interesting from a historical point of view. In a book, *Wicklow Harbour - A History*, written by Jimmy Cleary and Andrew O'Brien, it is reported that the Vikings first came to Wicklow in 827 AD and they plied their long boats up and down the coast around the Wicklow-Arklow area. Norwegian and Irish were spoken at that time and it is reported to be from the Viking era that Wicklow got its name, from the old Norse name Vikingalo. The next settlers were the Anglo Normans in 1170. Moving on to 1881, a new breakwater at Wicklow Port was constructed under an Act of Parliament in the reign of Queen Victoria and 200 men were employed at the peak of its construction. Currently it is the east pier at Wicklow Harbour.

Moving on to the present time, a number of leisure and community groups operate in the port and contribute to the local community. They include the two Wicklow sailing clubs, the rowing club, the swimming club, the diving club, the sub aqua club, the Chamber of Commerce, the RNLI, the Coast Guard and others. We will continue to liaise with these community groups within our terms of reference.

The Round Ireland Yacht Race, a biannual, 704 mile international event in the yachting calendar, of which members may be aware, starts and finishes in Wicklow Harbour. It has now grown to be an excellent visitor tourist and leisure attraction and is greatly enhanced by the weekend Sailfest festival organised to attract visitors to Wicklow Town during the race. The Wicklow Regatta Festival is held annually on the August bank holiday weekend within the port limits and is the oldest regatta festival in Ireland. It is over 134 years old.

The location of Wicklow Port and the Wicklow Town relief road are two of the best kept secrets in Wicklow and the east coast. The port is strategically placed to give access to the north,

the south and the west. On leaving the port, if one wants to travel north, one joins the N11, comes onto the M50 and one can be at the Sandyford roundabout in 30 minutes. If one wants to travel south, having travelled 3 km from the port, one joins the N11 heading south and one can be at the Gorey roundabout in 30 minutes, from which one can continue on to New Ross, Wexford and the south Wicklow hinterlands.

The future plans for the Wicklow Port include a five-year rolling plan, projections and budget and that plan will be updated on a yearly basis.

I have set out in my submission statistics covering imports and exports for the 2007-12 period. Focusing on 2007, the level of imports through the harbour was 221,000 tonnes and an indication of the death of the Celtic tiger is that the level of imports dropped to 84,000 tonnes in 2008 and they have dropped gradually by 60% to 70% and then by 80%. The imports reflect a reliance on one product in particular, namely, timber for housing purposes, in the years up to 2007.

Another cost item is dredging. There are plans for a dredging programme in the harbour and it is awaiting a decision from the EPA.

To give an overview of how the port is doing, Wicklow Port is a small company. It is a mean, lean operation, with a decent balance sheet and no pension shortfall. All outstanding loans will be cleared in 2013. In addition, the port company does not directly incur the cost of employing dockers or cargo handling machinery, cranes, fork-lifts etc., as these are provided by the stevedores and ships agents company, R. F. Conway and Company. Consequently, Wicklow Port is one of the most efficient and competitive ports on the east coast.

Unfortunately, the downturn in the economy since 2007 has meant that the company is treading water while waiting for the economy to improve. This is similar to many small companies at present but in Wicklow, imports were seriously affected by the downturn in the construction industry where the main imported product, timber, suffered a reduction of 60% per annum. In addition, imports of plasterboard almost ceased through Wicklow Port.

However, I am optimistic that our economy will recover from this deep depression. Ireland is regaining its competitiveness with exports increasing by 15% since 2009. With action having been taken on the sovereign debt and, hopefully, a deal from the EU on our bank debt, I believe we can bounce back from this dark economic period. With a resumption in growth, there is no better barometer for the health of an export-led economy like ours than the country's ports, of which Wicklow Port is a good example.

While accepting that these are difficult times for small indigenous industries, there are many comparisons between running a small port company like Wicklow Port and an SME like my own. In 2008 my company was faced with a serious downturn in business, like many other small firms in the country and to the credit of the staff, including the managing director, it was agreed to take a reduction in salary rather than reduce the number of staff and the shareholders have agreed to forego any dividend since 2009.

From my experience of business culture here, I have learned over many years of my adult life to protect the balance sheet and to retain a healthy bank balance, thereby providing for the rainy day or recession. This is particularly relevant now as cashflow problems cannot be currently remedied by bank borrowing. This is the same philosophy that has seen the port company through the current recession.

While we in the port company are poised to take advantage of any pick-up in the economy we have not been complacent in our search for other products to import or export. Currently, we are exporting a new product, RDS, a refuse-derived fuel, which is being exported to Germany and Holland where it is used for fuel their national grids. We are hopeful this will become a regular export of 50,000 tonnes per annum. In addition, scrap metal continues to be one of the more recent growing exports from Wicklow. Glass cullet is another recent export product coming through the port from County Kildare. Any improvement in the economy will see some improvements in timber imports.

One of the highlights of the past five years for Wicklow Port Company has been the completion of the port town relief road at a cost of circa €60 million. There was also the agreement to spend a sum of €1 million between the town council and Wicklow Port Company in upgrading the South Quay, which is the town's relief main street. This was done by way of an agreement and fixed contract with the town council. That gave me some pleasure because I insisted on the legal agreement and fixed contract. To the credit of the town council and the contractors, the job was completed at a fixed price. That happens only on rare occasions and we were very pleased with the outcome. Another highlight was the return of the Murrough Compound, owned by the port company adjacent to the port, under a CPO by the county council for the construction of the port relief road. It has been considerably improved and returned in an environmentally friendly state, for which we thank the county council on its efficiency. Also the registration of all the company's property is now in the process of being completed. I thank the former chairman, Mr. Fachtna Whittle, and the law agent, Ms Deirdre Burke, for their help in expediting these issues. I record my thanks to the former chairman, Mr. Fachtna Whittle, for his service to the company and the courtesy he extended to me and my board colleagues during his period as chairman from 2002 to 2012. For me the most satisfying aspect of the past five years at Wicklow Port Company is the honour that goes with the decision to have Wicklow Port Company remain in the commercial State sector.

Other important issues to be considered for the future include a survey/analysis of the company's fixed assets values, including depreciation. Private investment for construction of a marina should not be ignored. A feasibility study on marketing and future developments should also be considered.

Small companies are the lifeblood of the economy and we would be a poorer place without a commercial port company in Wicklow. I intend that the company will return the trust placed in it and the best way of doing that is to return to profitability. I intend to advise the new board that there are some issues on which we will keep an open mind, such as partnerships, outsourcing etc.

On the issue of the current review of port's policy, whatever policy is adopted, it is a matter on which I shall lead and implement with the board, on behalf of the shareholder, if confirmed as chairman of Wicklow Port Company.

I thank the Chairman and members for the invitation to appear before the committee and for their time and patience. I do not mind repeating that Wicklow Port Company is an efficient and competitive company and we are ready to start work. In the event of being confirmed as chairman of Wicklow Port Company, I look forward to working with the appointed directors.

Chairman: I thank Mr. Newsome for a thorough explanation of his position. I will take three questions from three members.

Deputy Dessie Ellis: I thank Mr. Newsome for his presentation. I am glad to see a local person running such a company because there is more of a vested interest given that the person is a local and his qualifications are very good. Also, he has much experience in the job. In the present economic climate the issue is how to generate more business in the port. He mentioned some of what is being done in terms of refuse derived fuel, RDF, and scrap metal. Is he looking at any other areas, such as the leisure industry? I appreciate there is much going on, such as the annual yacht race, but is there any other area that could be considered? For example, are there any anniversaries in Wicklow where events could be run to coincide with those?

How many people work in the company and what are the general spin-offs? The tonnage through the port had decreased considerably but is starting to increase again. What are the spin-offs in terms of the jobs? If the tonnage level is increased, does it affect the local community or mainly people from outside coming in? I imagine there should be a local spin-off. In terms of the size of the port, what is the acreage involved and what needs to be done to modernise the port and would that entail extra costs? I appreciate that funds are tight but what would be required to bring it up to a certain standard where we could attract in more businesses?

Senator Terry Brennan: As chair designate, Mr. Newsome mentioned that he had a five-year rolling plan. What are its main aims and what does he hope to achieve through that plan in the next five years? I am delighted to hear that he shares his port facilities with sporting organisations, sailors and motor ski boats. Is there a speed limit in the harbour and, if so, what is it? If it is busy, we must think of swimmers who also use it and their safety.

Chairman: I will allow Mr. Newsome to respond to those questions and I will take two further questions.

Mr. Brendan Newsome: I usually take one at a time.

Chairman: I can see from his profile that he takes it step by step.

Mr. Brendan Newsome: I thank Deputy Ellis for his question regarding more business. We are always looking for more business. The larger ports take the largest tonnage in any product. We are limited to looking for niche markets which I mentioned in my submission such as scrap metal and RDF. RDF is a new product and about which we are very excited because we expect a minimum of 50,000 tonnes per annum. RDF is a win-win because it takes pressure off the country generally from the point of view of landfill, as landfill is running out and the European Union is becoming concerned about our reliance on landfill. Given that millions of tonnes of refuse is going into landfill, a start has been made to put it into RDF. It is packaged and wrapped four to five times and arrives in a bale, the shape of a glass. There is approximately a tonne in each bale and a ship takes 3,500 tonnes.

Chairman: Where does it come from?

Mr. Brendan Newsome: The RDF comes from the Greyhound company in Dublin city. The company packages the bales. There was initially a slight perfume off them, but the wrapping is solving that problem. If they get wet, there is a slight problem, but the company has worked on it and it has turned out to be a win-win because the reliance on landfill sites has been reduced. We are falling into a trap in this regard and will be penalised if we do not scale down the reliance on landfill sites. The bales go to Germany and Holland where they are incinerated and the energy generated is fed into their national grids. One might ask why we do not have incineration facilities, but that is a different discussion.

With regard to Deputy Dessie Ellis's question about more business, we hope that if there is a levelling off or even an upturn, there will be a return to timber. We only need approximately 5,000 tonnes to double the current tonnage in the port. Wicklow Port was one of the biggest importers of timber. However, we lost one of our plasterboard products as a result of competition from our big brother in town, but we will not complain about competition because we are heavily engaged in it and remain one of the most competitive ports on the east coast.

The Deputy asked how many we employed. We have a chief executive officer who is the harbour master and has a part-time secretary in the office. We also have a general operative. They are the directly employed personnel, but most of the people working in the port are from Wicklow and employed by the stevedores who employ people to operate cranes, hoists and forklifts. A carrier company also employs many people.

We work closely with the chamber of commerce which is also involved in tourism and, for example, in developing the old jail in the town. Wicklow Port is less than 100 yards from the main street and, therefore, close to activities in the town. That is one reason the expenditure of €1 million on the south quay was a big help to those on the main street because we are able to divert traffic on to the quay and it is a much better organised and efficient service.

With regard to our aims for the future, we are still looking for niche products that can be exported in a reasonably good manner from the port. Like my own company, when there is a recession, sales are down. On the financial side, no matter how much costs are controlled, there will be no miracles if a company does not retain sales. That is where we are and competition is fierce. Not only are we experiencing a recession, everybody else is cutting costs and looking for a slice of the action. While the port continues to seek niche business, we are under no illusions about the challenge to be faced in the next few years until the economy recovers to a reasonable level. I am confident that will happen, given the manner in which issues are being tackled. I do not know that there is much more about which I can assure the Deputy.

We continue to seek opportunities with the help of the chief executive officer and the stevedores who are in the marketplace all the time looking for more business. I am happy and confident that business will pick up, but the secret is when a company is in a depression, that it must look after its cash because it will not get any when it runs out from the banks. That has been a good policy for my company and I try to use the same criterion as chairman of the port audit committee. It is not the most popular thing to do to tell others that we should hold on to money until the economy picks up and that we should wait to see how our operating accounts are going. We should not spend it all in one go and be forced to go to the banks which will say "No". We would then have to go to the Minister who will say he cannot give it to us and the Department will also state there is no money available. Our policy to date has been prudent and wise in preserving our balance sheet and cash.

Deputy Dessie Ellis: I had a question about the leisure industry.

Mr. Brendan Newsome: There is an opportunity in that sector to seek people who might be prepared to invest, perhaps through a public private partnership, in the development of a marina. Many are of the view that Wicklow Port is an ideal location for a marina, but I have been saying for 30 years that we need investors because the company and the Department do not have the money. We need another breakwater and a pier. Then we would be home and dry with a marina, but along the east coast there are more marinas than there are yachts at Malahide, Howth, Dún Laoghaire and Arklow. Tiomáin go mall. Bí cúramach because an oversupply will not give a return on an investment in this area and any private partnership would realise this, but

we are open for business and to talking. We would welcome the opportunity to consider anything on the leisure side in that context. There are other areas in the leisure sector, but I would be less than honest if I did not say they are unlikely to deliver a great return on investment.

Senator Terry Brennan: What does the port company hope to achieve in the five-year rolling plan? What is the position on speed limits in the harbour?

Mr. Brendan Newsome: We do not have traffic in the inner harbour. Therefore, we do not have a problem with speed limits, but they are 50 kph or 60 kph. Is the Senator referring to the water or the road?

Senator Terry Brennan: I am referring to the water and the danger to jetski users in the harbour.

Mr. Brendan Newsome: There is a speed limit of 50 km/h in the harbour.

Senator Terry Brennan: I doubt it is that high. I live beside a harbour where the speed limit is 5 km/h. I wondered whether the same speed limit applied in Wicklow Harbour.

Mr. Brendan Newsome: We do not have any limit as low as that. That is about 3 mph.

Chairman: Mr. Newsome will need to check.

Mr. Brendan Newsome: I will. Perhaps the sign indicated a figure of 5 km/h, not 50 km/h.

Senator Terry Brennan: Now Mr. Newsome is talking.

Deputy Ann Phelan: I am delighted that the port chairman is so prudent with the company's money. If he had been an adviser to the previous Government, we might not be in our current position. I understand how difficult it is for small ports, given my knowledge of New Ross and Waterford ports. It is a challenging time for them to seek new business.

Is it correct that the port's pension scheme has no effect on the viability of the port? Could Mr. Newsome, whose company is perhaps bucking the trend in this area, expand a little on that? The projections for the period to 2016 suggest a return to profitability through a major reduction in port maintenance expenditure. Could Mr. Newsome comment on that also? There are sometimes spikes regarding port maintenance but it levels out after a number of years.

I take Mr. Newsome's point that the port company is actively looking for business in niche areas. It is very prudent to carry out a feasibility study on the challenges the port will face. It is worth looking at the business and development plan.

Could Mr. Newsome state the largest ship size that can be accommodated by the port? There seems to be a growing market in respect of scrap metal and oils. Ports are trying to examine this.

Is there any merit in designing a tourism product based on the east-coast ports such that there would be an attraction in Wexford, Waterford, New Ross, Wicklow and Drogheda? Has any thought been put into this? Could Mr. Newsome comment on it?

Mr. Brendan Newsome: On the last question, the Deputy's suggestion is like the one implemented in Wales. Wales has such a project but it is not related to ports alone. One should have an open mind on the idea. There are many reasons for the port authorities in Wicklow, New Ross, Rosslare and Wexford to talk. The patch seems to be little overcrowded at present

and there is insufficient business. There are too many companies for the amount of business generated. In Wicklow, we have no illusions about the fact that the challenge is quite serious. If one does not hold or improve sales, cutting costs, to whatever extent, will not be a magic bullet for anything. We all know that.

Regarding the largest ship size, we take in ships with a capacity of up to approximately 3,000 tonnes. A dredging programme is planned and we await the decision of the EPA, which must move a little slowly at times, on the improvement of dredging in the harbour. With improved dredging, we would take in somewhat bigger ships.

The River Vartry flows through Ashford, the village in which I live. I recall the river being flooded and thousands of salmon going up the weir towards Roundwood and spawning. An agreement was reached whereby Dublin Corporation could take a lot of water to supply Stillorgan and south Dublin. On the statute, which I was very interested to see, there is an agreement whereby the corporation would assist with the clearance of the river, by way of dredging, from Roundwood to Ashford and into Wicklow Harbour. If X million gallons of water are taken from the river, the flow is very often reduced to a trickle. When the water reached the harbour, sluicing was not occurring to the extent that it had been up to 1948. Consequently, the requirement for dredging is more regular than it was heretofore. Perhaps it was hardly needed in the past. I would be very interested in knowing the fate of the plan by Dublin Corporation to assist in the debt associated with clearing the harbour as a result of its taking the water into south Dublin.

Chairman: I do not know whether we can bring it before the committee.

Mr. Brendan Newsome: The cost of a complete dredging plan is now approximately €250,000. We would very much welcome any comments by Dublin City Council if it finds that its files still contain the agreement. Perhaps our local Deputies might find that file.

Chairman: We are getting ready to let them in next.

Mr. Brendan Newsome: On the pension cost, there is really no issue. The port did not fall into the trap of having significant defined-benefit pension plans. There are strategic reasons for the low figure. It is partly due to the age of the personnel. There is a defined-contribution plan in place, contributed to by the members. There is no negative aspect to the pension. We are very lucky in that respect because most pension schemes in port companies and State companies, and many private companies, are in deficit. There is tight financial control in the company and I am pleased that this will remain the position.

Chairman: I call on the Wicklow Deputies.

Deputy Andrew Doyle: I welcome Mr. Newsome. It is interesting to hear the questions asked and the level of surprise among contributors that the company has accounts in balance and that it has no extended debt or pension burden of any significance. As the chairman designate said, the port has managed to tread the water healthily while waiting for circumstances to improve. There is a lesson to be learned from that. Mr. Newsome says it is the best-kept secret. It certainly is but we just heard of Dublin City Council's best-kept secret, which we will have to investigate. If the agreement is on statute, it is on statute; it is as simple as that. We should examine the matter. The amount of water the council takes from Vartry Reservoir leaves the flow very small at times.

Wicklow Port is the only port in the country at which water, rail and road infrastructure meet at one point. When there is capacity overflow in Dublin, for example, Wicklow is regarded as

a handy alternative. When business is tighter, business tends to be sucked back to the middle. As Mr. Newsome stated, the port ought to be competitive.

I have noticed an increase in the number of fishing vessels landing their catches in Wicklow. Has Mr. Newsome any figures on that? Are there any attempts at further development in this regard? Is there sufficient capacity to generate secondary employment or industry in this area? I refer to processing and marketing. A fish retail outlet opened on South Quay in the past 12 or 18 months.

Second, Mr. Newsome answered the question about the vessels' capacity, but what is the number of vessels inward and outward at the port? It is operating at a second level now, but what is its maximum potential if it could expand? Is it double, treble or quadruple? As a commercial port company, it would be interesting to know the amount of slack it can take up and its capacity to develop more business. I believe it is looking at other innovative businesses.

Deputy Billy Timmins: I wish Mr. Newsome the best of luck in his appointment as chairman of the port company. He obviously has an intimate knowledge of the company, having been involved in it for a number of years. That knowledge is reflected in the issue he raised about the statute and Dublin Corporation. Perhaps he should put it on the agenda for his first meeting and write to Dublin Corporation and quote the statute. Dublin City Council is fairly adept at following up commitments itself. Certainly, we should write to it about it because it is a legitimate issue.

Wicklow Port and Arklow Port sometimes remind me of old traditional golf clubs in that there is a particular group that uses them but other people do not know what happens or are afraid to get involved. I realise that is a quite simplistic view. However, when Mr. Newsome takes over as chairman he will hopefully have a very progressive board and there is an opportunity for a new beginning, although it is important to acknowledge the work the others have done in the past. Perhaps a public meeting should be held to change the mindset a little and make people in the broader area more aware, as that awareness is often lacking, of what is there, what the company is doing and that it is open for business.

If Mr. Newsome were to pick a single issue that is holding back the development of the port, aside from the obvious one he mentioned about an investor to construct the breakwater and pier, what would it be and what can the committee do to try to assist him and the port company to develop?

Mr. Brendan Newsome: With regard to what is holding us back, if I could wave a magic wand and get rid of Dublin Port, it would solve half of our problems because we could improve our business dramatically. However, that is not going to happen. I am not aware of anything that is holding us back at present. The stevedoring company protects the company from the point of view that it is not a cost or burden on the company. It has resolved the employment issue with the dockers. It deals with that and we do not employ dockers in the port. The stevedoring company pays the people to drive the fork-lifts, cranes, carriages, lorries and so forth. It is a very go-ahead company. There are people who would say it is not able to deal with it because they do not get on with it but that is not my experience. My experience of the company, especially the stevedores of R. F. Conway & Company Limited, is that they are very co-operative. They will deal with any new business, niche or otherwise.

The statistics from 2007 to 2012 refer to the capacity, which Deputy Doyle mentioned. We are way down, at about 70% or 80% less, on 2007. One could take the 2007 figure, multiply it

by two and consider that our capacity. We have a long way to go to get back to the 2007 level and I do not wish to give anybody the impression that it is going to happen this side of the recession being resolved, because it will not happen in that timeframe. However, as a competitive company, we are ready to pick up once the recession starts to be resolved and if Europe is kind in giving us some money for our bank debt, we should move forward. I have no doubt that the will and energy are there, and it is my intention to move forward. My own business, which is in the port area, is a multiple of the size of the port in terms of financials, sales and so forth, but the same principles apply whether one's company is large or small. As I always repeat, one does not need to be a rocket scientist. One must control and preserve one's balance sheet and cash so one is not running to the bank, which will more than likely give one a Harvey Smith and say it has no money. That is my gospel and I stick to that when running my business.

Chairman: That concludes our consideration of this topic. Is it agreed that the committee will inform the Minister for Transport, Tourism and Sport, Deputy Leo Varadkar, that we have concluded our discussions with Mr. Newsome and that we will forward a copy of the transcript of the meeting to the Minister for his information? Agreed.

Thank you, Mr. Newsome, for attending the meeting and for being straight about your ideas. I have no doubt that you will be an excellent chairman. I wish you well.

The joint committee adjourned at 11.25 a.m. until 9.30 a.m. on Wednesday, 5 December 2012.