

DÁIL ÉIREANN

AN COMHCHOISTE UM IOMPAR, TURASÓIREACHT AGUS SPÓRT

JOINT COMMITTEE ON TRANSPORT, TOURISM AND SPORT

Dé Céadaoin, 19 Deireadh Fómhair 2016

Wednesday, 19 October 2016

The Joint Committee met at 9 a.m.

MEMBERS PRESENT:

Deputy Mick Barry,	Senator Frank Feighan,
Deputy Imelda Munster,	Senator Pádraig Ó Céidigh.
Deputy Catherine Murphy,	Senator John O'Mahony.
Deputy Robert Troy,	

DEPUTY BRENDAN GRIFFIN IN THE CHAIR.

The joint committee met in private session until 9.24 a.m.

Business of Joint Committee

Chairman: I remind members, delegates and everyone in the Visitors Gallery to turn off their phones, as distinct from leaving them in silent or flight mode. The sound equipment is quite sensitive and they may interfere with the transmission of proceedings and thus reduce our opportunity of appearing on “Oireachtas Report” or any other broadcast. It would, therefore, be helpful if those present turned off their phones completely.

On behalf of the joint committee, I express our deepest sympathy to the family and friends of the late Anthony Foley who passed away at the weekend. He had represented his club, Munster and this country with distinction on the playing field and later progressed to management. His passing is a massive shock to the entire rugby community, his community in counties Limerick and Clare, the country and the international rugby community. He will be sadly missed. Ar dheis Dé go raibh a anam.

Scrutiny of EU Legislative Proposals

Chairman: The joint committee has considered COM (2016) 491, a proposal to establish a European Union certification system for aviation security screening equipment. Is it agreed that it warrants no further scrutiny? Agreed.

A Vision for Public Transport: Discussion (Resumed)

Chairman: I welcome Professor Aisling Reynolds-Feighan, transport economist at UCD; Mr. Dermot O’Leary, general secretary of the NBRU; Mr. Michael Taft, research officer at Unite; Mr. Willie Noone, transport sector organiser with SIPTU and all of the members of their delegations. I thank them for coming before the joint committee. Opening statements presented by the four groups have been circulated.

By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of the evidence they are to give to the committee. However, if they are directed by it 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.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an of-

ficial, either by name or in such a way as to make him or her identifiable.

The subject matter of the meeting is “A Vision for Public Transport in Ireland”, which includes the level of State subvention required. I am conscious that we have a number of representatives of trade unions with us. It would be remiss of me, as Chairman, not to point out that the committee has no role, nor can it, in industrial relations matters, particularly when such matters are before the Workplace Relations Commission. I ask delegates and members to bear this in mind when making their remarks.

Opening presentations should not be longer than five minutes. I will start with Professor Reynolds-Feighan who I understand needs to leave before 10 a.m. After hearing the opening statement of each representative, I ask committee members to direct their initial questions to Professor Reynolds-Feighan.

Professor Aisling Reynolds-Feighan: I thank the joint committee for the invitation to present my views on a vision for public transport for Ireland. The work it is doing will have important implications for the future development of the country as transport is a core and vital contributor to the economic and social fabric of the island. I am a professor of transport economics at UCD and have worked on various aspects of transport economics in Irish, European and North American contexts. I teach courses in transport economics, urban and regional economics and aviation economics. My research has focused principally on air and road transport and gives particular attention to the role of networks and the measurement of transport accessibility for communities and regions.

The set of documents published by the Department of Transport, Tourism and Sport for the strategic framework for investment in land transport offers an excellent review of the state of Irish transport and rehearses the main issues facing policy makers. I am encouraged by the long-term strategic approach being advocated in this framework. A long-term perspective, integrated land use and transportation planning and evidence-based decision-making are essential ingredients in designing and implementing sound policies. I will mention a small number of issues that seem to be at the core of how a vision for public transport for Ireland should be shaped and developed.

Ireland has a low population density by international standards - 67 persons per square kilometre compared to the EU average of 117. The transport solutions to moving people and goods when population density is generally low and the population is dispersed are necessarily road based. Households, firms, public and private transport service providers, passenger, freight and emergency services all share the road space in undertaking activities and meeting their mobility needs. Irish transport is overwhelmingly road based. Practically all freight is carried by road. Passenger travel is also predominantly road based, with 75% public transport being bus transport. Road-based public transport solutions make sense given the geographic and demographic characteristics.

There are a limited number of high-density corridors that justify rail solutions in inter-urban or intra-urban contexts. With the completion of the inter-urban motorway network, rail has suffered stiff competition from bus operators in supplying inter-urban travel options. There is limited potential for development of the rail network because of these characteristics. I very much support the development of bus rapid transit routes in Dublin as a vital short-term measure to contribute to the development of the public transit system and offer potential network economies to improve the financial viability of the urban public transport system.

Historically, Irish infrastructure investment has tended to be pro-cyclical. Investment by Government in surface transport infrastructure peaked during the boom years between 2004 and 2008 and has fallen sharply since then. Expenditure by Government has consistently fallen far short of the revenue generated by the sector. The Department of Transport, Tourism and Sport reports that spending has averaged 49% of revenue between 2001 and 2014. In my view, a commitment to consistent and sustained investment in infrastructure needs to be made by Government so that better management of the maintenance and development of the transport networks and other key infrastructure can be embedded in the various agencies charged with these duties. Transport infrastructure will generate growth as well as revenue for the State, but a stepped increase in investment is required if this recovery is to be sustained. We cannot afford to continue using the transport sector as a revenue generator without regularising investments in its maintenance and development.

The development of hub and spoke networks to optimise ridership and feed passengers to public transport routes requires locally based initiatives such as the rural transport scheme. Real-time information is crucial to facilitate the development of such initiatives. More generally, gaps in transport service provision can be identified if good-quality and timely information is at hand. As a priority all transport services providers and support agencies should make information available to the public, and in a timely manner.

I support the focused use of public service obligations and competitive tendering in the provision of public transport services. Sluggish responsiveness of public transport supply to the growing demand of users results in rapid increases in car ownership and car usage. It can be a slow process to win market share once car dependence has been established. The use of PSOs is an efficient competitive tendering process for ensuring provision of required services and for containing costs.

The benefits of the transport system have been narrowly measured in traditional studies and evaluation procedures. The wider economic benefits need to be quantified and incorporated into the analysis so that appropriate budgets and expenditure plans can be determined. This relates to both the provision of transport infrastructure and transport services. The Department of Transport, Tourism and Sport has advocated a broader transport appraisal framework and I fully support this approach. Bespoke Irish research and the broader development of expertise in transportation economics are essential for the planning, management and delivery of good quality transportation systems.

I again thank the committee for the opportunity to present my views.

Chairman: I thank Professor Reynolds-Feighan for sticking strictly to the time.

I call Mr. O'Leary who has five minutes.

Mr. Dermot O'Leary: Before I start I wish to make a slight correction. The Chairman mentioned that trade unions were present here. I make no apologies for speaking from a trade union perspective. Members should understand that. I assume the Chairman's opening remarks were directed at this trade union in particular in terms of the WRC. There is nothing in my presentation that is before the WRC. I will do my best to condense it to five minutes.

Chairman: I want to avoid that area.

Mr. Dermot O'Leary: The Chairman will appreciate that the NBRU is a trade union.

Chairman: Perfect.

Mr. Dermot O’Leary: On behalf of the National Bus and Rail Union, I thank members of the committee for this opportunity to speak on behalf of transport workers and the communities they serve. It is they along with fellow ordinary decent workers who keep the wheels of the economy turning.

As the foremost front-line trade union in CIE with the largest membership across the public bus transport sector we make no apologies about having prosecuted a dispute at Dublin Bus in furtherance of a long overdue and well deserved pay rise after eight years of austerity. We now find ourselves facing into a doomsday scenario that Bus Éireann may attempt to impose unilateral changes to terms and conditions of its own staff, a situation which has been brought to bear by a policy driven at Department level and implemented, it would appear, with zest by the NTA.

This situation if allowed to develop unchecked will inevitably lead to industrial action, potentially across the public transport sector. The notion that unionised workers in the CIE group of companies would stand idly by and allow one of those companies to ride roughshod over fellow workers’ terms and conditions is simply untenable. Those politicians who are minded to, as it were, mind their business or wash their hands of the problems at Bus Éireann would be well advised to think again. Rural Ireland has a habit of making the dog bark; it is called election time.

As the recession hit and revenue declined due to falling passenger numbers the three CIE companies engaged in impactful rationalisation plans which streamlined services, eliminated some terms and conditions and subjected staff to pay cuts. In the case of Dublin Bus it is worth noting that the 2015 subvention level should have been €60 million but €2 million was deducted because the NTA deemed that profits made from public service obligation business were unreasonable. The formula used by the NTA to calculate reasonable profit is an anachronism in the modern financial world in that the NTA uses return on equity and not turnover as is common practice. The more salient point here is that there would have been no unreasonable profit if workers were not enduring pay cuts at the time.

As members may be aware, the previous administration initiated the tender process to privatise 10% of Dublin Bus and Bus Éireann. The tender documents which surfaced this summer have a criterion of 65% cost. The only variable in bus transport is labour costs. The NBRU had to resort to initiating a High Court challenge against the previous Minister and the Department as a vital component of our anti-privatisation campaign in 2015. With the support of trade union colleagues we were relatively successful in our challenge to this anti-worker policy by having the principle of social clauses, namely an REA and SEO, agreed as part of the LRC-brokered settlement proposals.

We await publication of the legislative changes promised by Government in response to flaws in the current Act, which the NBRU highlighted. However, it appears that those in Government are determined to pursue a policy which will inevitably lead to conflict. The trouble at Bus Éireann’s Expressway can be directly linked to the Department-led and NTA-implemented policy of issuing and amending licences in the commercial bus market.

The NTA will, of course, contend that the customer has more choice and greater options. However, it will not admit that it has increased seat capacity on the Dublin-Limerick route by 111%, the Dublin-Cork route by 128% and the Dublin-Waterford route by 55%. Oversupply of seat availability does not equate to market demand. Saturating the market to unsustainable

levels with a plethora of operators is not a visionary transport policy; all it achieves is the eventual demise of some of those operators, ending up with either a monopoly or at best a duopoly.

I earlier mentioned barking dogs. Rural Ireland can be unforgiving when it comes removing or threatening its vital social and economic service providers - rural post offices, bank and Garda station closures being a case in point. Here is another stark reality. Under pressure from this oversupply in capacity and in order to attempt to compete, Bus Éireann has now come stopped serving 200 towns and villages. The NTA is now placing an extra burden on the taxpayer by introducing additional PSO services into some of these areas. The most recent example of this is an €880,000 contract to M&A Coaches in June this year to areas once served by Bus Éireann.

The NTA, aside from being the authority is also the transport regulator. This is a function that is not being carried out regarding commercial bus licences. According to the 2009 Act, the NTA has the following obligation when awarding commercial licences:

10.- (1) In considering an application for the grant of a licence the Authority, having regard to the general objectives established under section 10 of the Act of 2008-

(a) shall take account of the demand or potential demand that exists for the public bus passenger services to which the application refers having regard to the needs of consumers and any existing public bus passenger services on or in the vicinity of the route to be served by the proposed public bus passenger services, and

I will skip the next section, if members do not mind.

For years Bus Éireann has cross-subsidised the underfunded PSO services with profits from its commercial operation by more than €40 million. I have provided members with a table outlining that in detail. However, this option is now longer available to Bus Éireann because of the non-regulation of the commercial bus market. As a result the transport network built up by decades of hard work is fragmenting before our eyes leaving the less densely populated portions of rural Ireland without public transport. The subvention levels at Bus Éireann have decreased from €49.4 million in 2009 to €33 in 2015. I will skip the section about Irish Rail; members may ask me questions about it if they want.

Yet another myth that needs to be challenged is the notion often peddled by the privateers that Transdev, as a private company, is a shining example of how a public transport system can be operated. Here are some startling facts. Transdev is actually owned by the Deposits and Consignment Fund, the French equivalent of our NTMA. Transdev Ireland Limited, a holding company, returns a dividend to the French state every year paid for by the Irish taxpayer. Interestingly, the previous CEO of the NTA, Mr. Gerry Murphy, told the Oireachtas transport committee in January 2013 that public transport was underfunded.

Chairman: I am sorry, but I must interrupt Mr. O'Leary. He was directed only to give evidence connected with the subject matter of this meeting and I outlined the practice whereby witnesses should not criticise or make charges against any person or entity by name-----

Mr. Dermot O'Leary: My apologies. I was just stating what Mr. Gerry Murphy said on the record of the previous committee.

Chairman: In fairness, he is not present to defend himself.

Mr. Dermot O'Leary: The current CEO was present a number of weeks ago. I was just

giving the context.

Chairman: It is my obligation to ensure that people are not named.

Mr. Dermot O’Leary: My apologies.

Chairman: I ask that the reference to a name be withdrawn.

Mr. Dermot O’Leary: I withdraw it.

Chairman: I thank Mr. O’Leary.

Mr. Dermot O’Leary: While public transport is certainly underfunded, the NTA, which does not physically operate any transport service and acts as regulator and authority, does not appear to have problems sourcing funds for its own budget, staff and administration costs, which were, according to its latest accounts, approximately €8 million, including defined benefit pensions. Incidentally, the modest defined benefit pension of most bus workers - €125 per week after 40 years’ service and contributing nearly €40,000 - is under grave threat due to funding cuts and Government rules on bond allocation. My presentation outlines some of the spend of the NTA or, as we like to call it, the HSE on wheels. That money would be better directed towards passenger services.

Furthermore, the NTA views itself as a replica of Transport for London, which has led to soaring costs for the British taxpayer to the tune of a 5,108% increase in subsidies. At the same time, the subvention to the CIE group has reduced from €321 million to €188 million. That is a 41% decrease.

Chairman: I must ask Mr. O’Leary to conclude.

Mr. Dermot O’Leary: I am nearly there. I wish to make a point about rail companies entering this country and gobbling up State contracts. These are state companies from Germany, the Netherlands and France and are heavily subsidised there and elsewhere.

Seán Lemass, who was Minister for Industry and Commerce in 1958, inserted in that year’s Transport Act “Reasonable conditions of employment for [CIE’s] employees”. Let not the vision of the past be destroyed by the blindness of the neoliberal champions of privatisation.

Chairman: I thank Mr. O’Leary and will remind everyone that there will be time to elaborate on points.

Mr. Dermot O’Leary: I appreciate that.

Chairman: I invite Mr. Taft, research officer at Unite, to make his contribution.

Mr. Michael Taft: On behalf of Unite, Mr. Willie Quigley, our regional officer, and I wish to thank the committee for this invitation. We will focus on two issues: the subvention to Dublin Bus and the underfunding of CIE to cover the costs of the free travel scheme. This lays the basis on which we can support a new vision of public transport.

By European comparison, Ireland devotes relatively low levels of subvention support to public transport. As the committee can imagine, this results in poorer services and higher fares, which drive up traffic congestion, and creates an unnecessary burden on households, businesses, the environment and quality of life for people in this city. Members will be aware of the reductions in the Dublin Bus subvention since 2008, a cut of €28 million or 32.6%. This con-

trasts with a general cut in Government expenditure of a little less than 10%. Public transport has taken a disproportionate hit since 2008.

We compare poorly with subvention levels in other EU cities. The data lag, unfortunately, as there is no comprehensive database that covers all of these subventions because they are done at national, regional and local levels. However, a number of studies show that we fall considerably behind. Whereas it is usual for a city transport service to have a subvention of approximately 50% of total revenue, our level is approximately 20%. I will put this into perspective so that we do not get lost in percentages. If the subvention of Dublin Bus were at the average level of comparable European cities, it would be receiving €175 million more per year. Some might call this a cost, but we would call it an opportunity.

Regarding the free travel subsidy, it has been contended that CIE and Dublin Bus have not fully recouped the costs of operating the free travel scheme from the Department of Social Protection. There is evidence to support this contention. My submission includes a lengthy quote from the Secretary General of the Department of Social Protection, Ms Niamh O'Donoghue, from when she appeared before the Committee of Public Accounts. I will not read it all, only two or three particular points. She stated: "the funding provided for the [free travel] scheme was originally based on ridership surveys ... in October 1973". That was 30 or 40 years ago. I cannot do the math off the top of my head.

Deputy Mick Barry: Forty-three years.

Mr. Michael Taft: I thank the Deputy. These data are 43 years out of day. Essentially, Ms O'Donoghue accepted that CIE had not been compensated. As CIE is not compensated for the free travel scheme, it must externalise the cost. This is done through higher fares, fewer services for households or depressed wages and working conditions for staff.

We propose three suggestions for the committee to consider. First, it should undertake a detailed study of the subventions to public transport and public bus services in European cities comparable to Dublin, Cork, Limerick and Galway. In Europe, smaller cities and towns have even higher levels of subvention to support their bus services.

Second, the committee should request or even commission a new ridership survey. 1973 was a long time ago and does not form the basis of current travel patterns. Third, the committee should continue today's work and initiate a consultation process among stakeholders in public transport as to what a fully subsidised modern public transport system would look like. We commend the committee on starting already, but its consultation should extend beyond employers, employees, Government agencies, experts and academics. Though valuable as they are, the process should extend to the public itself - community and civil society groups. Everyone should have a stake in the design and implementation of public transport because it affects everyone in this city.

Chairman: I thank Mr. Taft. The final contribution before questioning will be from Mr. Noone.

Mr. Willie Noone: On behalf of SIPTU, I thank the committee for the opportunity to outline our union's concerns regarding the future of public transport and the level of State subvention that is required to ensure that public transport is a mode of transport that can be grown and sustained with high standards of safety, reliability and cleanliness and increased access for all consumers, regardless of whether they are urban or rural based or whether they have disabili-

ties. The workers who provide the service should also have proper and reasonable terms and conditions of employment, as their efforts and endeavours are an integral part of delivering public transport. There is a direct link between under-resourcing and cutting conditions of employment and the subsequent public services that are available for the public.

SIPTU is Ireland's largest trade union and the only union that organises and represents workers across all categories in Irish Rail, Bus Éireann and Dublin Bus in all depots and in all geographical areas within the CIE group as well as representing workers in Transdev, which operates the Luas, and in private bus companies, ports, docks and the aviation sector. Hence, SIPTU is a key stakeholder in public and private transport provision, seeking to represent the interests of our directly employed members through collective bargaining as well as the interests of our wider membership and the citizens at large, many of whom rely on and require an appropriately run, properly resourced - through revenue and appropriate levels of State subvention - and integrated and sustainable national public transport service.

According to a variety of economic indicators, the economy has started to grow again after years of recession. A properly funded and resourced public transport system has the potential to be a spur for sustainable economic growth. However, public transport is at a crossroads, having suffered from chronic underfunding and a decrease in passenger numbers during the period of the economic crash. We now need an ambitious yet realistic and viable vision for public transport in Ireland to 2020 and beyond. We, in SIPTU, which represents thousands of workers who deliver public transport, want to contribute to this debate from the perspective of not only supporting our members who deliver public transport but also for the tens of thousands of citizens, many of them members of our union and other unions, who rely on public transport as an economic and social necessity.

The provision and resourcing of public transport by previous Governments has been good and bad. The purpose of today's presentation is not to recriminate in terms of who was or was not to blame but rather to expose the facts, outline past and upcoming problems and urge the people whose voices can be heard to influence for the better the manner in which public transport should and could be managed and resourced into the future.

This union is to the forefront in stating that public transport provision is currently underfunded. The strategy for the future is also at a crossroads as the direction and decisions that Government takes when deciding on expanding the tendering of routes in the bus market, the adoption of measures in the Fourth Railway Package, and the level and mechanisms of funding public transport services into the future will leave either a poor or good legacy on politicians who have the influence to drive the necessary changes now that would leave Ireland with a public transport model that consumers and its providers would want. Mistakes in deciding the way forward may not only be costly but the consequences of any mistakes may be long term.

I have provided a detailed report, which I know the Chairman has read, but I will focus on the main facets of that. A report on Government policy in 2008 dealt with a number of headings such as car usage, population, congestion, pollution, greenhouse gas emissions and public transport users, all of which were to increase. The strategy at the time was how to deal with that. In terms of the Government's vision, it was supposed to lead to a shift to public transport, ease of access to public transport, reduce congestion and travel times, cut greenhouse gas emissions etc. A number of the key elements of that report, which was entitled A Sustainable Transport Future - Smarter Travel, have been highlighted, which I will briefly detail. One stated: "... we will consider an extension of the existing school transport scheme". That was supposed to happen. It was supposed to consider fiscal measures aimed at reducing car use; introduce com-

petitive tendering for public service obligation, PSO, services over and above those currently provided by Dublin Bus and Bus Éireann; link the PSO subvention to growth in patronage; offer a seven days a week transport service for rural communities and those in smaller urban areas; examine, as part of the review, the current distance eligibility criteria for school transport, in particular, where it is not feasible to provide safe walkways and-or cycle paths; and review the public service obligation with regard to other services such as aviation etc. What happened, however, was that it did the complete opposite. The numbers carried under the school transport scheme have decreased instead of being expanded. Fiscal measures have ensured that car usage is still needed. PSO services that Bus Éireann and Dublin Bus provided at the time were tendered. The PSO subvention was never linked to growth in patronage. The seven days a week service did not occur. The only plan that was in operation was to reduce subvention, increase tendering of existing services and drive Expressway, in particular, and Bus Éireann into extinction. The subvention was reviewed, and it was reduced. My colleague spoke about the subvention levels as outlined in the report so I will not repeat that.

A particular exercise was done to compare operating costs that arise from fare box versus subvention. The data is from 2000 but the starkest statistic from that is that if we take the averages in cities like Bologna in Italy, 38% of operating costs come from the fare box and 56% from subvention. In Amsterdam, 25% comes from fare box and 64% comes from subvention. When we look at Dublin, however, 96.4% of operating costs come from fare box and 3.6% comes from subvention.

SIPTU has outlined a number of visions and a charter. I will not go through them in detail but will outline the headings.

Chairman: We are very stuck for time so I ask Mr. Noone to be brief.

Mr. Willie Noone: I will just outline the headings. We should review the legislative remit and performance of the National Transport Authority, and the issues and difficulties we have with that. We should support a derogation for Ireland and the application of the Fourth Railway Package. We should review and amend the current legislation on the EU directives, which is flawed. We should support a sector employment order in both the PSO part of the market and for the commercial bus market.

A number of our workers who are employed in these companies were involved in a number of industrial disputes recently. It would be remiss of me not to add that this needs to be seriously examined to ensure that the chaos that has prevailed among our membership with regard to conditions of employment and security of employment are addressed.

Chairman: I thank Mr. Noone and apologise for rushing him. He will have an opportunity to contribute later. I am conscious that Professor Reynolds-Feighan has to leave shortly. Five members are offering, and I ask them to limit to one minute any specific questions to Professor Reynolds-Feighan. I call Senator Feighan who will be followed by Deputies Munster, Barry, Catherine Murphy and Senator O'Mahony.

Senator Frank Feighan: I will try to be brief. First, how do we know the PSOs will improve public transport service provision? Second, why should we invest more in transport? I believe in it but that argument has to be made when there is significant under-funding in education and health. Third, discussion on public transport is focused on Dublin, Cork and urban areas. What about rural areas? I believe the NTA is doing great work, but could we consider having a further impact in rural areas such as the one I come from?

Deputy Imelda Munster: Professor Reynolds-Feighan said she was very supportive of investment in public transport. When she talks of competitiveness, does she mean privatisation because that might contradict what she said about investment in the public transport network and provision of a public service?

Deputy Mick Barry: I thank Professor Reynolds-Feighan for her interesting presentation. My questions are as follows: can she give us a breakdown, in terms of transportation within Ireland, of the percentage that would be bus and rail and the percentage by car? How does that compare with the European norm and other European countries? What knock-on effects will that have in terms of congestion and carbon emissions? I recall that when I was a young fellow Greater London Council had a Fares Fair policy, where it slashed fares on the Tube but actually made money from that because more people used the Tube. Can Professor Reynolds-Feighan give any indication as to whether that policy has been pursued in other European countries? Are there any countries that have zero fares as a way of encouraging the use of public transport?

Deputy Catherine Murphy: Public transport is bus based because of the way our population is dispersed but with regard to heavy rail, if we take Dublin and Cork, for example, Dublin has a much wider footprint. The three outer counties, and it is four if we include Louth, would benefit from, say, DART underground, which has been described as the game changer. One of the reasons we got European Union funding for the first round of Luas projects was because of the costs arising from congestion including insurance costs, air emissions, time lost and so on. Would Professor Reynolds-Feighan agree that as Dublin has the wider footprint in terms of the population of that geographic area, which is approximately one third of the country, investment in that area is key to making a difference in terms of the public attitude to public transport where it would have a wider benefit?

Senator John O'Mahony: I have a general question for Professor Reynolds-Feighan. She mentioned the low-density population in Ireland. Coming from the west I would like to know if she is suggesting that in the areas with lower density of population, such as the western seaboard, there should be no investment? With regard to freight transport, the second largest rail freight producer in the country is my own county of Mayo. Where does Professor Reynolds-Feighan see the issue of carbon footprint in the context of balanced regional development? Where does she see public transport in Ireland?

Chairman: Will Professor Reynolds-Feighan respond to those questions?

Professor Aisling Reynolds-Feighan: There are a lot of questions. I will go through some of the points quickly. On the overall level of investment in transport infrastructure and transport provision, the Department has set out a detailed analysis of the spend on transport over the last decade. What we see is that the level of investment is low by European standards in both infrastructure and transport service provision. We had a very significant investment programme but it tended to be cyclical so our investment peaked in the 2004-08 period but we have had capital spending cuts and transport service subvention cuts since then. Existing budget allocations are insufficient to maintain our infrastructure never mind to try to develop it further. This has very important implications for our competitiveness. If we look at the data in the most recent World Economic Forum global competitiveness report, we see that our rank on infrastructure competitiveness increased dramatically after 2011 when investments in the road network and light rail network came on stream. The rankings for the quality of our roads were in the mid-20s from 2012 onwards compared to a ranking of 70 in 2008-09. If we look at the ratings for the road network in the most recent period 2014-15 and 2015-16, we see that our ranking has declined, which is quite worrying. Economic activity has picked up. Macroeconomic indica-

tors show there is positive growth. We have seen a pick-up in traffic. I looked at traffic counts across the national primary network for all classes of vehicles and there was a 4% pick-up in annual average daily traffic between 2014 and 2015 and a 7.5% increase between 2015 and 2016. Congestion and delays have also picked up. This points to a need on the part of Government to commit to upping the investment in infrastructure to maintain what we have and also expand the infrastructure and service provision.

Public service obligations and competitive tendering are efficient processes in providing service as well as trying to contain costs. The PSO mechanisms allow for service reviews, quality performance benchmarks, safety requirements, service innovations and enhancements. We can improve the quality, cost and responsiveness of service supply using this mechanism. Public transport use can be increased if it is attractive to users in terms of cost, speed, reliability and if it presents a realistic alternative to private car use by connecting the origin-destination pairs of users. The problem in the past is that there was a sluggish responsiveness of public transport to the growing needs of users. Competitive tendering can help to inject cost-effectiveness and cost-competitiveness into the provision of these services. PSO provision is not necessarily privatisation. It is a way of trying to contain costs and also be more flexible and responsive in terms of identifying service needs and filling those needs in a cost-effective way.

On the question about shares, as I mentioned in my preamble, Irish transport is very much road dependent. That is a function of our demographics and geographic situation. We have lower than European average rail shares and much higher than average bus shares. That is a reflection of the fact that we have a dispersed and low density population. In terms of the densities for rail, Senator O'Mahony asked about population densities. It is worth comparing Irish cities with US cities because they are quite spread out compared to European cities in terms of population densities. A number of recent studies, which I mention in the longer paper I submitted, look at density of population and employment per unit area. Looking at the research that has come out of US analysis, the suggestion is that densities of 3,400 persons per square kilometre are the minimum necessary for light rail systems to be cost-effective. For heavy rail systems the estimated minimum number of residents and jobs per square kilometre is around 7,000 persons per square kilometre in order for the systems to be commercially viable. In Ireland, only Dublin and Cork come close to these population density measures. Residential density alone is insufficient. We have to take into account employment density because rail users need to have a reason to travel. What we see is that there is limited scope for heavy rail in this country because of the generally low densities. Bus rapid transit offers an opportunity in the short to medium term to provide high capacity corridors, which over time, if we can build up densities, will allow for light rail electrification of these systems over time and investment in more appropriate light rail systems. The strategic planning framework has a very important role here in terms of developing high-density corridors.

In terms of rural transport and the challenge for counties that have low population densities, one thing we need to take into account is the fact that public transport is inherently multi-modal because users have to travel to access the public transport system. In urban areas we can walk or cycle and that helps to bridge the gap but we have a real problem in rural areas. It is a real challenge to try to bridge that gap between where people live and accessing public transport systems. The development of hub-and-spoke networks to try to optimise ridership and passengers on the public service routes requires initiatives like the rural transport scheme. It is very important in trying to bridge the gap to make public transport more widely accessible to small communities and regions with very low population densities.

Deputy Mick Barry: There was a question about fares. What is the European experience of cuts in fares resulting in an increase in usage? Have those initiatives worked?

Professor Aisling Reynolds-Feighan: Fares are one aspect in terms of trying to stimulate demand for public transport. It requires not only subvention of fares but the service has to be attractive in terms of its cost and linking origin-destination pairs so it is reliable and responsive to demand. All of those aspects need to be fine-tuned to make public transport more attractive to the public but fares and the cost of the service is one of the levers we can use to try to stimulate broader use of public transport.

Chairman: Did Deputy Troy indicate he had a question?

Deputy Robert Troy: I apologise, I had a prior commitment and had to go out for a few minutes but I have read Professor Reynolds-Feighan's presentation. I was not here for it but I read it. I will ask a number of questions. One is on rail. Professor Reynolds-Feighan has said that she does not consider rail transport to be commercially viable. Is there anywhere across Europe or in the world where rail is commercially viable? My understanding is that it must be greatly subvented, regardless of where it is. Given the huge housing crisis at present, particularly in Dublin where there is a lack of supply, does the witness believe there is an opportunity, with greater public transport rail infrastructure, to start using commuter towns more successfully than we have in the past?

I note that the witness is very supportive of PSOs. I agree. There are many routes that will never be commercially viable and there will continue to be a need for State subvention to maintain a public transport service in many parts of the island. What are her views on the tendering of bus routes? How does she believe that will contribute to overall public transport into the future?

Professor Aisling Reynolds-Feighan: Rail requires subvention in most European countries. Mr. Quigley quoted from a study I conducted in 2000 which examined subvention rates. One of the reasons that subvention rates for Irish public transport are relatively low is the fact that it is predominantly road-based public transport. Rail and transit systems in other European cities require a larger level of subvention. However, we must also bear in mind that these cities have much higher population densities in the rail corridors. In terms of the investment required, there is very substantial investment in the rail track but also in the vehicles and signalling, while there is a single user, namely, the rail company. With roads, however, a large number of users share the road space. In terms of trying to provide for the population generally from an Irish perspective, this is why road based transport solutions are more attractive. Other than in Dublin and perhaps Cork, it is hard to see a role for rail transport because of the dispersed nature of the population and the low densities generally.

With regard to the commuter towns, users will use public transport. We conducted studies in UCD examining uptake and the responsiveness of people to public transport. When reasonable alternatives are presented people use public transport. It must be reasonable in matching the origin-destination pairs between which people have to travel. If one looks at the provision of public transport, one of the problems is that it does not match people's needs. One has to travel indirectly between the origin and destination so the generalised cost of travel by public transport, that is, the time and money costs of travelling between the origin and destination, is very high compared to private transport. That is the reason the private transport share is so high. That applies in the Dublin region as well as more generally in the country.

Regarding tendering for bus routes, will the Deputy remind me of his point?

Deputy Robert Troy: I am seeking the witness's opinion on the decision to put 10% of the Dublin bus routes to tender. Does she think it is a wise decision? Does she think it will be beneficial for the long-term development of public transport in Dublin? Will it offer a better service that is more competitive and will the end user, the passenger, benefit from it?

Professor Aisling Reynolds-Feighan: Public service obligations have been successful in a number of contexts both in filling a service requirement and also in introducing greater flexibility in terms of matching service needs. It will also inject cost competitiveness and cost effectiveness into the provision of public transport services. I would welcome this. The National Transport Authority can work with communities in identifying service needs and tendering to fill those needs. If they require subvention, and many of them do as they are not commercially viable without subsidy, we must be explicit in identifying the services that require subvention rather than having cross-subsidisation on the part of operators. We therefore identify where there is a public service requirement and pay for it, if that is required. I believe it will improve the provision of services, inject responsiveness and put a focus on costs and minimising the cost of provision of the service. That is better for Ireland as a whole because if we can produce more cost-effective services across the board it means we can spread the limited budget for transport further.

Deputy Robert Troy: When I was travelling here this morning there was a car crash off the M4 on the M50. The result of that was absolute gridlock. While the witness says that we predominantly use our roads, those roads are at capacity. There is also an issue with climate change in terms of CO2 emissions. I accept the comment about rail and the fact that there is only one user. However, if there is enough of the single user on the tracks, does the witness not believe it could make a huge impact in removing congestion from the roads, helping with our CO2 emissions and providing a fast, reliable and effective public transport service to the areas it might serve?

Professor Aisling Reynolds-Feighan: As I said, rail has a role to play in high density corridors. However, the densities are limited to the Dublin area and possibly Cork. If one examines rail services more generally in the country, they require very substantial investments. If the rail carriages are not full, their environmental footprint is very unattractive. They are contributing to the carbon emissions and on a per-passenger basis, because the ridership is low, that is quite substantial. The argument for rail as an environmentally friendly mode of transport requires that the rail is heavily used, and that requires that it is deployed in high density corridors. I believe there are very limited opportunities in an Irish context for deploying heavy rail services.

Deputy Imelda Munster: I have a follow-up question. The witness said that she is supportive of 10% of services going out to tender, that the NTA should engage with communities to identify where there is a service need and that she believed this would cut costs. What is her opinion of, for example, the 10% going to private tender and the private contractor, after getting the contract, being able to amend the contract? The contract that was initially given can be amended. The private contractor can say, "We got the contract and this is the contract we have undertaken but we now find that it is not profitable for us to sustain the provision of services to villages X, Y and Z". They can amend it, so one is back to square one. They have the flexibility to amend the contract and cut the service. That defeats the entire purpose. What does she think about that? At least if it is the public transport provider, it is compelled to provide that service. When the private contractor is able to amend the service the real losers will be the public and the commuter.

Deputy Catherine Murphy: I have two questions. One is about the 10%. How sure is the witness that she is comparing like with like in respect of competitiveness? I imagine with the reduction in the subvention that services have been pared back to the minimum. That is part of the reason there were fare increases and so forth. When one looks at back-up services, the quality of transport and wage rates, is it a fair comparison?

On rail, what is being counted in the comparison with the US cities? Is it increased insurance and congestion costs? I accept we are quite dispersed and there is a fair comparison. Are these other elements, however, being counted which will carry costs such as climate obligations and increased insurance costs which have a knock-on effect on doing business and cost of living?

Senator John O'Mahony: Professor Reynolds-Feighan defended the usage of rail between Dublin and Cork. What about the practicalities of the rail services to Galway and Westport? There is currently road gridlock in Galway city. The road infrastructure on the western seaboard is not to the same high standard as it is in the east. Is she saying there should be no further investment or that subvention be run down for rail services outside of the main urban centres? There would be extreme riots if investment were reduced. Everyone here agrees there needs to be increased investment in rail and bus services. What works in theory and in practice, however, can be very different.

Deputy Mick Barry: I can see the headlines now, "Senator threatens extreme riots".

Senator John O'Mahony: I will not be involved in them but I would be supporting them.

Professor Aisling Reynolds-Feighan: Regarding tender contracts, it is very much down to how they are written, such as containing penalties if contracts are not met or the possibility for both the service provider and a regulator who has issued the tender to make amendments to it. We have to be careful in how tenders are managed to ensure the service requirement identified is actually delivered by the service provider. It is possible to revisit them if there are budgetary constraints or if ridership does not meet forecast levels.

The National Transport Authority and regulators across Europe are getting better at building up their expertise in deploying competitive tendering contracts and managing them. There has also been recent work by the European Commission looking at the deployment of this kind of tendering contract in public transport in several countries to share and build up expertise to ensure it is deployed as a better instrument.

In an Irish context, we have been using public service obligations for several years. We have used them successfully in air transport to fill service requirements. An expertise has been built up in their deployment. They can be effective in bringing about greater responsiveness and trying to contain costs. That is important from a national perspective in trying to stretch a limited budget as far as possible for the benefit of the country.

I am not advocating we cease investing in rail services. We have an extensive rail network in place which provides an alternative for road-based transport along key corridors. However, we have to look at the best way to deploy our limited resources and invest in infrastructure and services. We have to make choices which will deliver the best level of service from a national perspective. There is limited scope for further expanding the rail network for the reasons I already outlined.

We need to look at the overall infrastructure budget. As the economy has picked up, we

need to invest significantly in our transport infrastructure, which is principally roads, to fill additional needs in the economy as it expands. The planning framework, as well as the new spatial strategy, will have an important role in how we effectively link up all of the regions and deploy the best possible transport system.

Chairman: In getting people, particularly those from rural areas, to points of public transport access, is there any evidence, either nationally or internationally, of where the provision of quality safe cycling paths or parking facilities have resulted in increased public transport usage?

Professor Aisling Reynolds-Feighan: Each of the different modes of transport has limits to their usage. For example, people are not prepared to walk more than 2 km on a regular commute. That limits the extent to which walking as a strategy can be used. The average distance people will cycle to work is 6 km to 8 km. Again, it limits the scope to which cycling and cycle paths can be deployed as a mode of transport outside of urban areas.

Hub and spoke systems are about feeding passengers into the public transport services from small towns and locales. This will build critical mass and increase the density to make the public transport service provision more viable. One needs to increase frequency of service which effects a positive cycle and draws more people in. Outside of urban areas, one is talking about motorised transport to link into the public transport corridor.

Chairman: Does parking price impact on usage?

Professor Aisling Reynolds-Feighan: Absolutely. It contributes to enabling that kind of linkage. One has to think in terms of the time and money costs of travel. Parking charges would be important in influencing the extent to which people will take that into account in their decisions.

Chairman: I thank Professor Aisling Reynolds-Feighan for her time.

Professor Aisling Reynolds-Feighan: I thank the committee for the opportunity to contribute to this discussion.

Senator John O'Mahony: The unions are representing the workers, which is important and must be respected. The Minister has told the committee the subvention will be increased. One does not need to be an expert to know the increase will not be sufficient to meet what the unions feel it should be. The unions want the subvention to be increased to €170 million and they need it done yesterday. How will this work? Could this be done in stages? In 2008, the economy collapsed and there were no choices at that stage because the country was bankrupt. However, there are choices now. If they were in the shoes of the Minister of Finance, how would they square the circle to instantly increase the subvention to the level they feel is needed? We all agree it needs to be increased but everybody wants everything to be restored. How can a pathway be found in view of the fact that there needs to be an organised and structured way to do this in order that the country will not descend into chaos?

Deputy Imelda Munster: I commend the Dublin Bus workers on their steadfastness and determination to vindicate their rights. I also commend them on their instrumental contribution in returning the company to profit. I hope the unions and the workers show the same solidarity with, and backing for, Bus Éireann Expressway drivers who seem to be heading in the same direction. This is our national bus service. Dublin Bus workers had to stand on the picket line not knowing how long the strike would last. I tabled a parliamentary question recently about the fees paid by the NTA for consultancy services. The figures are shocking when one considers

that workers had to go out on strike for basic salaries. The NTA spent more than €14 million on consultancy services over the past five years. In 2015, it engaged 16 consultants. I do not know whether those are consultancy firms or individual consultants. It begs the question: is there no expertise within the authority? Why was it set up if it has to spend so much of taxpayer's money on consultancy services and travel advisory services? The most shocking figure related to last year. The authority spent €4.347 million on these 16 consultants, each of which received more than €279,000, yet Dublin Bus workers were forced to go out on a picket line.

SIPTU mentioned the Government's smarter travel initiative and highlighted that, under action 12, the PSO subvention would be linked to growth in patronage. Why has this not happened? Action 14 stated a seven-days-a-week transport service would be provided for rural communities and those in smaller urban towns. Why has the NTA failed to deliver on that?

The NBRU said that other transport workers would not stand idly by when the pay issue comes up down the road for Bus Éireann workers. Will Mr. O'Leary explain what he means by this? Will he outline how that would play out practically, given that workers would be in dispute with their employer? Would they experience the same solidarity, backing and determination? Could he elaborate on the legislative changes he said were flagged up and inserted in the LRC settlement last year? Bus Éireann has vacated 200 towns and villages. I mentioned earlier that this is bad enough because of the lack of subvention and cutbacks workers have had to endure. I say to people if they think it is bad now, they should wait until privatisation kicks in when rural areas will not just be vacated but completely abandoned for profit only. Mr. O'Leary was also critical of the NTA and its budget. I hope he will be equally critical of the consultancy fees and the lack of expertise in the authority. He also said the NTA is empire building and sees itself as a replica of Transport for London. Could he also elaborate on that? He said the French state is paid by the Irish taxpayer and he referred to the issue around Transdev. I would like him to comment further on that. He mentioned European rail companies tendering for state contracts in other jurisdictions. What does that mean for us?

Deputy Mick Barry: My first question relates to Iarnród Éireann. Mr. Noone put before the committee information that is shocking. It shows that the Irish Rail subvention has been cut from a little over €180 million to €98 million in seven years. That is a cut of almost 50%. Mr. O'Leary stated, "The safety of rail is second to none but in future years, we will only avoid catastrophe by blind luck because the State is not investing enough money to maintain rolling stock, vehicles, stations, depots and lines, never mind increasing services". The chief executive officer of Irish Rail was before the committee two weeks ago and he gave his opinion on the issue of cutbacks and rail safety. I am interested in the opinions of the NBRU and SIPTU representatives. How close are we to cutting it fine on rail safety because of cutbacks? How close is Irish Rail to having to shut down services and lines in order to keep the public safe rather than taking a chance? I am interested in our guests' perspective on that.

On the issue of pension schemes for bus workers, Mr. O'Leary said the modest defined benefit pension of most bus workers at €125 per week after 40 years service and contributing almost €40,000 is under grave threat due to funding cuts and Government rules on bond allocation. Could he provide more information on the character of that grave threat?

Mr. Noone referred to sectoral employment orders. My understanding of the position is that in respect of what the NTA calls "franchising" - but what everybody else who has eyes in their head knows is privatisation - of the 10% of routes, he was given a so-called triple lock guarantee. It comprised a registered employment agreement, a sectoral employment order and legislation. I understand that triple lock guarantee is not yet in place. Will the witnesses give

us some information on the up-to-date position?

Mr. Taft suggested some projects this committee might consider. I am not sure if he is in a position to take them all on board but we should consider the first two suggestions, namely, a detailed study of subventions to public transport and public bus services in other European cities compared with those in Dublin, Cork and one other Irish town or city, and the commissioning of a ridership survey, given that the current one is 43 years old. I would like the committee to consider whether we might take action on one or both of those.

I am interested in Mr. O'Leary's comment that the CIE companies are fully compliant and stringently observe all aspects of the Organisation of Working Time Act 1997 and driving regulation. Unfortunately some - not all - private operators infringe and ignore the rules, giving unfair competitive advantage and potentially putting lives at risk. Will Mr. O'Leary give some more information on that? I am cognisant of the fact that we are not getting into all the ins and outs of industrial relations problems at the moment.

Mr. O'Leary referred to a doomsday scenario that Bus Éireann may attempt to impose unilateral changes to terms and conditions. We have been hearing about this for a while. The Minister was here two weeks ago and was not particularly interested in commenting on it. Do we have any information on the detail of that? This includes the hiving off of the Expressway service from other Bus Éireann services and reduced terms and conditions. I know there is no precise proposal on the table. What might it be? Would it be a 1%, 10% or 50% reduction? Will the witnesses give us a general idea of the scale of the reduction?

Deputy Catherine Murphy: It is probably rare that ICTU and IBEC agree on something. They both refer to the lack of capital investment. We can see it, especially because congestion is a significant issue. The committee's initiative aims to chart a course for the future of transport and public transport in particular. The three points about a detailed study are useful. I asked the Oireachtas Library to do a study, which pretty much confirms what the witnesses say, that there is no comparator and if we are to have an evidence-based approach, we need one. It is clear from the witnesses' study and the Library's study that we are on the tail end. That is indisputable. The level of subvention has been falling.

Only a few things can be done when the subvention is reduced. One is to increase fares, which has happened. That drives up the cost of going to work and so on. There is a knock-on cost in terms of wage demands. The second is to cut costs, which I suspect the public transport companies have done, or cut services. The subvention is central to the provision of good quality public services. The 1973 study was highlighted in the Oireachtas report which confirms the points the witnesses make. It is central to engage the stakeholders. They all have a very different experience from the dry academic perspective on what they are willing to pay in subvention.

I note the point in the SIPTU contribution about the conflicts between the regulatory and policy roles. It refers to the flat refusal to take into account the cost of provision of labour. If a competitive tendering decision is not being made on absolutely equal grounds, how can it be competitive? Will the witnesses talk about that because it will be a key factor in whatever policy approach we recommend?

In my area a provider was licensed to provide a service in tandem with Dublin Bus. There were different bus stops and locations. When the bus broke down, there was no back-up bus. The public could not figure out the services. It would be useful to know about these matters in the context of this area of competitive tendering and how the public might use the services.

Deputy Robert Troy: I thank all the witnesses for coming here today and giving us the benefit of their time and experience in the public transport sector over recent years. When the subvention to Dublin Bus was reduced, it managed to increase passenger numbers and revenue and profit. It is to be complimented on that. If, as expected and as the Minister has indicated, there will be an increase in subvention to Dublin Bus, do the witnesses feel that gives it an opportunity to increase capacity further and improve the service, thereby generating a greater turnover and profit? It would then be a much more sustainable model.

I am amazed at how the National Transport Authority, NTA, sometimes inhibits Bus Éireann from providing additional routes. We contacted Bus Éireann recently about a route from Mullingar to Maynooth for students going to college and it said it would be an eight month turnaround. A private company took up the slack and is running two journeys from Mullingar to Maynooth every morning. There does not seem to be a level playing field. I would welcome the witnesses' thoughts on that. When a licence is issued, what controls or sanctions does the NTA have for a private operator if it does not fulfil the terms and conditions of its licence? An example, to be parochial again, would be a route from Mullingar to Dublin which initially serviced Kinnegad and Kilcock but after two or three weeks stopped servicing these towns and became a direct route from Mullingar to Dublin. This would be most welcome for the passengers using it, and they would not complain because they would get from their original stop to their destination much faster and, perhaps, much more cheaply. There is inequity in how this is being dealt with and I would welcome the opinion of the witnesses on this.

The lack of capital investment is a serious worry and is leading to huge congestion in the capital city in particular. There needs to be capital investment not only in the capital city but throughout the country. Currently, Dublin is gridlocked not only when people are arriving in the mornings and going home in the evenings but pretty much in any part of the day. The witnesses have vast experience in public transport. How would they prioritise the projects which would best help to deal with congestion, improve the efficiency and reliability of public transport and improve the experience of passengers with better times and a reduction in fares?

This brings me to my next point, which is the increase in fares. There is no comparison between the level of subvention our public transport gets and that in other European countries. The difference that has to be made up is being made up through public fares. Public fares have been increasing over the past six or seven years, but passenger numbers have also been increasing. Do the witnesses believe the fares prohibit people from using public transport? Do they feel that if fares were reduced passenger numbers would increase significantly and would compensate for the reduction in fares? Do they have any empirical evidence that could back this up?

I must attend another meeting so if I have to leave before they witnesses reply to my questions I will read the transcript or look at it online later.

Chairman: I was intrigued by the issue of the ridership survey, considering it was conducted nine years before I was born and things have moved on a bit in public transport usage in the country since then. Further to Deputy Barry raising the matter, what would such a survey entail? How would it work? What reference period would be required to get an accurate reading of usage?

Recently, I was approached by an older person who has a travel pass but is living in a rural area and never uses it because no public transport is available. That person suggested to me there should be compensation of an equivalent average amount to pay for taxis or the provision

of private transport. Is there a subsidy or payment in respect of people who do not use public transport that would need to be factored in?

Mr. Michael Taft: Will the Chairman repeat his final question?

Chairman: It is with regard to people who have travel passes but do not use them. Would this be factored into a survey? I ask the witnesses to consider this issue when answering.

Deputy Robert Troy: I forgot to ask, and it is quite important, about the Expressway service. In its presentation, the NBRU stated that for years Bus Éireann has cross-subsidised the underfunded PSO services with profits from its commercial Expressway service. We are now learning and being advised the Expressway service is not profitable and it is reported that because of this it will be diminished. Do the witnesses have proof that this has happened? I have grave concerns that if the leaked proposals were to materialise we could see a situation where many of our towns and smaller communities would be bereft of public transport. This is certainly something no one on the committee could stand over.

Chairman: We will take the responses from the witnesses in the order in which they made their presentations, so I call Mr. O'Leary.

Mr. Dermot O'Leary: To respond to Deputy Troy because he must leave, with regard to proof of cross-subsidisation, the annual accounts of Bus Éireann, which are available through a Google search, will evidence this and support our view quite clearly. When there was no motorway network, which I will discuss in response to other questions, Bus Éireann serviced all of the small towns and communities to which the Deputy referred and to which we referred in our presentation. We found accounts for almost 11 years, and we found that old funds were used to subsidise PSO services. New entrants to the transport arena, such as the National Transport Authority, of which I am very critical for obvious reasons from our perspective, choose to forget the past. While we can leave the past behind us, the information it provides for us should never be forgotten. We have evidence to support the view.

I will briefly run through some of Deputy Troy's questions. With regard to a reduction in fares, fares have increased on average 8.2% in the past ten years, at least since 2010. We have said very publicly that this fare increase, with the reduction in terms and conditions for our members and members of other trade unions across the three CIE companies, have plugged a gap effectively. I will come back to Senator O'Mahony's questions on subvention. Of course, without having empirical evidence in front of me, it is anecdotally well known that the more fares are reduced the more people will travel on public transport. Listening to the questions and contributions from committee members, the problem in the Dublin area is completely opposite to that in rural areas. There is congestion in Dublin and a lack of services in some parts of rural Ireland, but there is a connection, pardon the pun, between these two debates.

With regard to initiatives to get people away from the car and onto public transport, the very simple one is park and ride. We know what London does with regard to congestion but London is a far different city of course. The only initiative we have heard of in recent times is to stop buses travelling around College Green, which is lunacy in the extreme. If we are going to discourage people from using their cars the last thing that should be done is to stop buses going to where the people want to go. It is madness. This morning, when I came across from my office, I saw the gardaí pull in two private cars on College Green. There would be no buses on College Green, never mind private cars, which would be lunacy in the extreme.

To answer Deputy Troy's question on the Expressway service, I have a lot to say about it. Deputy Troy touched on some of it, as did other contributors. The Expressway service is disappearing before our eyes. Someone called it our national carrier. This is what it is and what it always was. The red setter was an iconic brand, but it is disappearing before our eyes. While welcoming the opportunity the committee has given us to voice our concerns on behalf of our members and the communities they serve, we are very frustrated with regard to the Minister, and I am hopping over to Senator O'Mahony's questions. The Minister was before the committee several weeks ago, and he mentioned stakeholders three or four times during his contribution. Not once did he mention some of the most vital of stakeholders, which are trade unions. Perhaps some people in this room think trade unions are only about strikes and disputes. This is not our remit. A strike and dispute is a last resort. Of course our interests start with the workers, because if there are no workers there is no industry and *vice versa* because they go hand in hand, but in terms of expertise in transport, there is none better than that of the people who work in the system. It is not about them being paid exorbitant rates of pay, which they are not, by the way.

I am not sure about the other trade unions, but the Minister of the day has not met this trade union. I have written to him on three occasions. I gave him a brief in June, which forewarned him of the Bus Éireann situation. He came here and spoke about meeting Bus Éireann on 12 September. We briefed him on 10 June about the problems in Bus Éireann, but he chose to ignore it. I know he was busy off in Brazil doing other things and talking to stakeholders in other organisations, but he has not engaged with us. This is important from my point of view.

If I have left out anything from Deputy Troy's questions I ask him to remind me. I missed out the question on the NTA issuing licences and inhibiting Bus Éireann. That goes to the heart of the problem regarding Bus Éireann. If I am repeating myself, I apologise.

The motorway network is a recent phenomenon and I believe it was Professor Reynolds-Feighan who said that 2011 was the starting point of Bus Éireann's problems. Its accounts show that to be the case. The degree of competition on routes from Dublin-Cork, Dublin-Limerick, Dublin-Galway and Dublin-Waterford, which are all on motorways, is oppressive. I mentioned in my presentation the issue of seat capacity as opposed to market demand. There is an excess of capacity on those routes. That is a fact. Deputy Troy gave the example of the Dublin-Maynooth route. What has happened in the UK is similar to what will happen here. I predict, without the benefit of a crystal ball but with the benefit of evidence in the UK, that what will happen here will be similar to what happened in the UK in areas outside London. There will be a plethora - this is already the case - of private operators competing with the national State carrier, as we call Bus Éireann. We will end up with Bus Éireann talking about not providing services on those routes, other operators no longer providing services on them and a monopoly, not a Bus Éireann monopoly, or at best duopoly, and fares that are cheap now on a route from A to B, will go through the roof. That has been the UK experience.

To answer Senator O'Mahony's questions, we would love to have level of a subvention of €170 million for Dublin Bus, as mentioned by Professor Reynolds-Feighan. All we want on the trade union side, and I presume Dublin Bus would want the same, is a return to levels approaching 2008, albeit on an incremental basis. That would be very beneficial in the context of providing the services. I am not here to speak on behalf of Dublin Bus but, for obvious reasons, we have a strong relationship with it because the members of our union work there. It has an excellent service and in respect of the benchmarks and the quality performance Professor Reynolds-Feighan mentioned, Dublin Bus and Bus Éireann are hitting figures of 98% or 99% all the time. The Senator also mentioned about the stakeholder. If I am not covering all the

Senator's questions, he can come back to me on them.

I thank Deputy Munster for her comments on the successful resolution of the unfortunate dispute at Dublin Bus. As she is aware, all the trade unions were involved. We hope to replicate the solidarity that was shown by the trade unions in Dublin Bus across the CIE group without the necessity, as I said earlier, of having a dispute.

Regarding a legislative measure introduced last year which the Deputy asked about, we had a joint trade union initiative on foot of a concern that the Irish legislation - not the European legislation - is flawed in that it would, if not changed, compel the NTA to award contracts to private companies or any entities that could adequately provide services, regardless of whether it was Dublin Bus. The adequacy of the service was the only benchmark and the NTA could have been compelled, under pressure from a private company for example, by threat of court action or whatever may happen, to let Dublin Bus services out to those private operators. That was a concern. The settlement proposals from last year, which are mentioned in our submission, indicated that Government would examine the legislation. The previous Minister, Deputy Donohoe, wrote to us and to all the unions last year and said that Fine Gael was in process of making changes if it got back into government. I note from a newspaper article some weeks ago and from having had the benefit of talking to him that the current Minister, Deputy Ross, is supporting changes to that legislation. As to whether that will be satisfactory to the trade unions, I suspect it will not but at least it will be better than what is in place now.

In our presentation we covered much of the NTA's spend in recent years. While this debate is helpful, it would be far more prudent if all the stakeholders, including the Minister, could gather in a room like this and engage in an honest and open debate on the various issues affecting all of the people in the context of transport. Those stakeholders would include the workers we represent, commuters, Members of the Legislature and other interested parties. That is the type of debate that should be taking place. However, the NTA had absorbed a great deal of money that would be better spent on front-line transport services.

The Deputy mentioned some of the consultancy fees. We state that these relate to vanity projects. We contend that the NTA replicates and duplicates much of the work CIE does. The latter begs the question as to whether this is a way of getting rid of CIE inch by inch or bit by bit? That is a concern for us. This year, a consultancy firm - I am not allowed to name it or I do not believe I am, but if I am, please allow me to do so-----

Chairman: Mr. O'Leary is not allowed to do so.

Mr. Dermot O'Leary: In June this year, €800,000 was spent on a consultancy firm that is well known in this city. Said firm is at the top of the list in my presentation. In saying that, I have not named it. That type of money is being spent and it would be far better if it were spent on funding transport services. If I neglected to respond to any of the Deputy's questions, she can indicate that to me.

Deputy Barry asked about rail services. The rail service is quite simple for us. Even Professor Reynolds-Feighan, with all her knowledge, struggled to name a railway that is making money. The only railways in the world that are making money, and this is mentioned in our presentation, are those run by state companies in Germany and France - I mentioned Transdev - that step outside their borders and tender on the premise that they are private companies tendering for state contracts. That is the flaw in the relevant European legislation, Regulation (EC) No. 1371/2007. The latter allows French companies to heavily subsidise their industry at

home and then tender for contracts here and be paid with Irish taxpayers' money. Our rail network is underfunded. I heard that the chief executive officer of Irish Rail appeared before the committee the other day and he gave a good outline of where the shortfall is. The subvention has dropped by approximately €98 million during the recession. Line speeds will be reduced. I do not want to overplay safety concerns or make it sound as if we are scaremongering around safety standards, but there is a fear with respect to the standard Irish Rail has obtained and maintained over the last decade and more in terms of it being accident free, and hopefully that statistic will remain the case, that instead of increasing line speeds, as Mr. Franks spoke about that day, they will be reduced. That is a concern.

Deputy Barry also mentioned the issue of pensions. Again, as covered in our presentation, the amount of €125 a week is a meagre pension after some of our members have spent €40,000 of their money paying towards it. We have been told that the pension schemes, of which there are two in the CIE group, are in trouble. I will defer to the Chairman on this one as it is a matter that is before the Workplace Relations Commission. I will not go into the detail of that but there are problems.

The Deputy referred to Bus Éireann being fully compliant. This is also covered in my presentation. There are two cases that we know of recently - this is on the public record and the court records - and there may be others. One of those cases arose in Donegal and led to a company being fined by Mayo District Court for a breach of driving regulations. In other words, the drivers were operating outside the regulated hours and this led to safety concerns. Only this year, another coach company - I will not name it but this is a matter of public record - found itself in the same position. It is grand to have regulations, of which we have plenty, but we do not have anybody policing them, apart from the NTA fining private coach companies in Tullamore recently at the National Ploughing Championships; I suppose they are now called the national tractors association. We would have a concern that people who are supposed to police that side of our regulations are not doing so. I believe I have covered most, if not all, of the members' questions and my colleagues can help me out in that respect.

Chairman: Perfect. I thank Mr. O'Leary and call Mr. Taft.

Mr. Michael Taft: Senator O'Mahony asked whether we want a substantial increase in the subvention now or whether having it phased in would be preferable. Of course, phasing it in would be preferable. Certainly Unite would not say - I do not know if anybody else would - that if we were to substantially increase a subvention up to European levels, we would do it in the first year. That would not be economically feasible for the Government in light of the constraints on resources and in terms of capacity. When we are talking about rolling out services, there is no sense in a company getting a massive amount of money that it cannot use at present. Phasing it in over four, five or six years, with a subvention of €35 million a year, is not the issue; the issue is not the number of years over which it would be phased in but rather that it would be done, that a roadmap would be created and that the stakeholders would be involved. Once that commitment is made, we can then debate how many years it will take in terms of maximising the impact.

Deputy Troy asked a number of questions that merged into one on whether increasing capacity with services with an increased subvention would create more money and if that would mean it could be more profitable and more sustainable. He also asked if passenger numbers would increase if we cut fares and if this would result in the company making more money. He further inquired as to whether high fares are a disincentive. To disentangle some of that, the first question is whether high fares are a disincentive. High fares are possibly a disincentive but

many people do not have a choice. They may not have a car or it is not feasible to use a car, or it is too far to walk or cycle. In many senses, if fares are raised then a captive audience may be hit. In many cases, it would be low and average-income earners that would be hit by high fares. It probably does not create a disincentive in a large section of the community.

The issue is not whether a profit is made on one line or another because a profit will be made on some lines that are heavily used. Other lines are not so heavily used. Public transport, and certainly the rail and bus companies that have public service obligations, will never make a profit. I know that Mr. O'Leary has said that some of the rail companies do make a profit. However, that is not the same as what we are talking about here. They go out and buy and I do not think we should be looking at just a balance-sheet approach. Professor Reynolds-Feighan made the point that a wider economic analysis is needed of the impact of the investment and the provision for public transport. I shall give two examples. There have been a number of claims made by CIE, business groups, chambers of commerce, Deputies and Senators over the years regarding the cost to businesses of traffic congestion in Dublin. I have never been able to identify the particular study - there are a couple of studies here and there - but they generally estimate the losses to be around €500 million or €600 million. That was in 2007-2008. It is costing the economy €500 million or €600 million in Dublin. If one then increases the subsidy to actually start to tackle that along with a number of other things such as providing services, one needs to take into account the reduction in the cost to businesses of traffic congestion. That is the wider economic analysis the professor is looking for. If the fare is reduced by 25%, the money that the passenger saves does not get burned up - it is spent in other businesses. In other words, the high levels of fare are actually depressing demand and, therefore, reducing cash turnover for businesses. It is a business-friendly measure to increase subventions, reduce fares and expand service capacity.

With regard to the Chairman's question, I am sorry but I do not have experience designing surveys. I will make two points. Obviously, such a survey would have to be carried out over a period in order that it would not involve capturing a slack season, a summer season or whatever and that the data would be balanced out. There are statistical patterns that can be used. It is not just about carrying out a ridership survey to see how much CIE is owed or not owed. We should be taking regular ridership surveys in respect of all forms of public transport and other transport - covering issues such as age, gender and whether a person is travelling for school, work, shopping or recreation - and using them as statistical tools to find out what is going on with public transport. Deputy Barry spoke about London fares being substantially cut and how the system there actually made more money. In ridership surveys carried out in that city, it was discovered that the main beneficiaries of the measure in question were older people. This was before older people had travel passes. They became the main beneficiaries who were then able to visit relatives on the other side of the city. They could engage and participate in the economy. They were the major gainers and Ireland should be doing that but we should also be compiling surveys of people who do not use public transport to find out why. It should not be just a big national survey or a big Dublin survey. It should go to particular communities, such as those in Tallaght, Dún Laoghaire, Bishopstown or elsewhere. We could use these surveys, which are really important, to ask if not using public transport is a matter of cost, convenience or accessibility. We should be using these tools to inform us so we would have an evidence based approach to creating public transport policy. Do I have time to make another brief point?

Chairman: Yes.

Mr. Michael Taft: Deputies Catherine Murphy and, I believe, Troy raised general questions

about the franchising, or privatisation, of 10% of Dublin Bus routes. The National Transport Authority, in reaching to its conclusion, relied on a study it commissioned from Deloitte on the impact of franchising out X percentage of routes. The Deloitte study came out in favour of it but only cited one study.

Deputy Mick Barry: Was that an Ernst & Young or a Deloitte report?

Mr. Michael Taft: I am sorry, it might have been Ernst & Young. I apologise if I got that wrong. Let me withdraw that and say the National Transport Authority commissioned-----

Chairman: To be prudent, we can say that a study was commissioned.

Mr. Michael Taft: A study was commissioned, but the Deputy may be correct. The particular study that was commissioned relied on only one academic study on the impact in other countries and cities of franchising out the 10%. Admittedly, an OECD study involved a survey of literature so it relied on other studies. However, some of the latter dated back to the 1990s. For example, the Stockholm experience in the 1990s as to what happens when the 10% is franchised out shows a really positive result. All the numbers - depending on what numbers one looks at - just start turning a lot. Subsequent studies in Stockholm found that the situation was not so good because there are factors such as quality fade, lack of investment, regulatory capture and a number of other issues that mean the service fades over time and it is not as strong as the one given by the public transport provider. There are many fixed costs when one looks at what is involved in providing Dublin Bus services. For example, the cost of fuel is the same type of cost that a private provider would have to pay. There is only one really big area in which public transport can become competitive - if that is the word we want to use - which is in the depressing of wages and working conditions. I can provide this information because Unite refers to this and I can send on the information. I know there is a triple-lock for those CIE workers who transfer over, but that is not for new members. Just by the very mathematics, there would have to be a sweating of labour. If it was just about saying that the private sector is more efficient than the public sector, then fine, make that debate. Then, however, one must also say that everyone is to be treated the same with regard to wages and working conditions and make the competition about quality of service. That will not happen because the only way cost can be driven down is through depressing of wages and working conditions. At the time, Unite called on the National Transport Authority to do a shadow exercise - because Dublin Bus would be bidding also - to identify where exactly these savings are to be found. If we talk about the wider economic analysis, economic vision and social equity, it is none of those things if people's wages and working conditions are driven down. That is just a race to the bottom.

Mr. Willie Noone: I know my colleagues have responded to some of the questions posed so I do not want to repeat what has already been said. I will, however, deal with some of the specifics.

Deputy Barry asked about the triple-lock that was attained by the trade unions to try to protect our membership against the worst consequences of tendering. The registered employment agreement has come into being only in the last few weeks. The reason for that is we had to wait on the legislation to enable it and then there were a number of hurdles for the unions and the companies in getting the agreement up and running. It is now in place. No movement has been made with regard to the sectoral employment order and no movement has been made with regard to the legislation. These are serious weaknesses. That leads to what Deputy Catherine Murphy raised regarding conflict between the NTA and the trade unions regarding their roles. I can give two examples of what that conflict involved. The NTA has a specific role to regu-

late and manage transport, particularly in the bus market. It believes, as we understand it, that conditions of employment are not its area of expertise or not its worry. In the negotiations we raised the issue of pensions and pensions not coming under the legislation. There is a conflict there because our role is a double-barrelled one. We are trying to protect our membership, which is our first priority and we do not apologise for that, but we also have a role in trying to protect the consumer or the general public and ensuring there is a proper system in place for them. The NTA did not consider pensions not transferring to be under its remit. When it came to the question that was posed by it seeking to tender out work for periods of time, we were in discussions at that time regarding a number of people who were employed in one of the bus companies. We said that these people are now permanent, they are going into a pension scheme and they will be paying into it long term. The response we received was, "Why did these people not just get fixed term contracts, for these are the terms of the contracts of employment?". That leads back to what my colleague said about driving conditions within the transport sector to the bottom. That is why we believe the NTA may have a conflict regarding what it believes is a good transport system.

With regard to Deputy Munster's questions about Nos. 12 and 14, and I will not question the Deputy's reason for selecting those two points, the answer to both, like the answer to many of the action points we said were supposed to happen but did not happen, is simply that the subvention levels were cut. As a result of that, the Government did not link PSO subvention to growth in patronage, did not introduce a seven day transport service for rural communities and so forth. I might add with regard to linking the PSO subventions to growth in patronage, this trade union does not agree with that. If one links PSO subvention to growth, it means that areas where there is no growth will get no increase in subvention. That does not make sense. Our learned colleague who had to absent herself has stated that in order to draw people into public transport, one must make it attractive. Therefore, one must invest and put money in to attract people. However, if one links patronage to the PSO, one will only drive the system downwards in the long term.

Senator O'Mahony asked about how to get the subvention levels back to what we believe are appropriate. There are a number of ways to do it. One can insert stages and do it incrementally. One might have an issue about the timing of it and how long it will take to bring it back to what we believe is the optimum level, but the crucial element here is that one commits to that and delivers on it, albeit it might take a longer period of time than the unions might be seeking. So be it. One is committing to a service that everybody can buy into and there are no hidden surprises, no cliffs for people to fall off. We who are looking after people in the transport sector are living from year to year. One year we get a promise that there will be subvention, and then we do get subvention. Senator O'Mahony and Deputy Troy asked whether transport provision would be improved if the level of subvention was increased. Obviously it would. If it is decreased, it will drive down public transport. However, increasing subvention alone is not sufficient. I remind the committee that Dublin Bus was given subvention last year, but what was given with the right hand was taken away with the left hand because subsequently €2 million was taken back because it had made what was believed to be an unreasonable profit. Increasing it on the one hand and taking it back on the other does not make sense to anybody.

With regard to the pension issue that is before the WRC at present, that is not subject to debate here. The issue SIPTU wishes to raise regarding the pension is that circumstances should lead to an equal playing field, which is central to the debate we are having here. Other operators who are tendering for public transport do not have a legal obligation to pay a pension. That alone means there is no level playing field. The other issue, as we included in our submission,

is taking the cost of labour out of the tendering process. Transport companies, by their nature, have high labour costs as a percentage of their overall operating costs. If one allows contractors tendering for the right to provide services at the minimum rate of pay, which is currently €9.25 per hour, it basically means that established transport employers such as Dublin Bus, Bus Éireann or other private companies in which we have members cannot compete. They know that every three or five years a contract will be issued again and unless they are paying the minimum wage, they cannot get that contract, because everybody else will be tendering on the minimum wage. This has not been addressed. On numerous occasions we have sought a level playing field. Taking out the cost of labour would at least level the playing field. The trade unions have always stated publicly that we are not afraid of competition and never have been. We do not buy into the ideology that competition is good in all circumstances but our members in Bus Éireann, Dublin Bus, Irish Rail and other bus companies have lived with competition all of their lives. Even within the CIE group, Bus Éireann buses are competing against rail services and other private companies. There always has been competition. All we have sought is a level playing field.

There have been allusions during this debate to practices that take place in the real world. We have stated, and we are not shy about doing so, that one does not have to be an intensive investigator to find out what the practices are. All people need to do is look at the contracts of employment of the people who are employed by the employers who are tendering for these projects. The devil is in the detail. When one reads in the contracts of employment that people will not get paid if there is no bus available, that means that when they go to work and there is a fault with a bus, they have no bus to drive and under the contract they go home and do not get paid. It means the person is under pressure to drive the bus, because if they do not they will not get paid. Matters such as these must be highlighted.

With regard to Deputy Barry's comments on Irish Rail, although there have been cuts in subvention to Irish Rail, it has always had, and continues to have, a very good record on safety. The only issue I can raise regarding how near we are getting to standards slipping in that regard is that, while everybody in Irish Rail is committed to ensuring that standards remain as high as possible, in circumstances where the rolling stock and the infrastructure do not receive investment on a regular basis, it means that maintenance costs will increase continuously. The danger of something failing obviously increases as well. That is standard risk analysis. There had been huge under-provision of subvention to Irish Rail for a number of years. Prior to 2008, investment was made in rail. While it was not sufficient at the time, it has since been acknowledged that it brought Irish Rail into the 21st century. The stark figures presented in the submission demonstrate that the level of subvention has fallen off a cliff. If this trend continues, at some stage, we will only have a proper rail service operating on the Cork and Dublin routes.

The Government appears to have bought into the theory that it wants to get bang for its buck. When one is faced with a choice of investing in bus and rail services or the road network, it is difficult for rail to compete. We must be cognisant that rail can never compete on the basis of getting bang for one's buck. It competes on the basis that it is a more environmentally friendly option than roads. If one keeps building roads, more cars will use them and congestion will build up again over time. This is not the way to develop transport policy. We must have an integrated policy in which rail, buses and other modes of transport have a place. I believe I have answered the majority of questions.

Mr. Dermot O'Leary: I will briefly respond to Deputy Munster's questions. In terms of Transdev-----

Chairman: We cannot discuss that issue for the reasons outlined. I am informed that it is not in order to refer to any entity that is not here.

Mr. Dermot O’Leary: May I rephrase the answer? I am merely seeking to answer the question I was asked. A French company owned by the French Government is operating a light rail system in this country and it receives €150 million for doing so under a five-year contract. Taxpayers’ money is being paid to a company owned by the French Government. The contract will be up for renewal in 2019 and taxpayers’ money will go towards the operating costs of that company.

Deputy Munster asked about the National Transport Authority guidelines. The Act provides that the NTA take account of the demand or potential demand that exists for the public bus passenger services to which the application refers, having regard to the needs of the consumer and any existing public bus passenger service on or in the vicinity of the route to be served by the proposed public bus transport services. I noted the excessive capacity that has arisen as a result of the NTA ignoring this aspect of its guidelines.

Senator Feighan, who has left the meeting, made a point to which I would like to briefly respond. Mr. Noone also touched on the issue in his contribution. The Senator asked how we know increased subvention will improve services. What we know is that when subvention is reduced, services disimprove.

Senator Feighan also inquired whether transport supports business. In his appearance before the committee some weeks ago, Mr. Ray Coyne, the CEO of Dublin Bus, stated that Dublin Bus was responsible for providing transport services to those who account for 39% of retail spend in Dublin. I presume that figure can be extrapolated to other towns and villages. It is clear, therefore, that transport supports business.

Senator Pádraig Ó Céidigh: I apologise for my late arrival; I was delayed at another meeting. I found the presentation and the witnesses’ responses to questions very helpful because I have much to learn about this issue. Public transport is critically important to the economy and society. I strongly agree with Mr. Taft that we need to consider the wider impact of public transport, which is much more significant than pounds, shillings and pence. If it is necessary to commission consultants, I would appreciate if they would consider all of the factors involved in public transport. That point was very well made and I appreciate it.

In 2009 or 2010, an ESRI study found that people spend at least seven hours per week travelling to and from work. This means that individuals spend more or less a full working day commuting. Public transport can help significantly to improve the productivity of those who travel to and from work.

My company’s income at macro-level is divided into two parts, namely, income from the public service obligation, PSO, and passenger income. In terms of my company’s expenditure, we have very high fixed costs and low variable costs. The same issue was highlighted in respect of rail. A certain number of staff must be available. In that regard, I strongly agree that people should earn a living wage, which means they should be paid an income that allows them to survive and live. On the other hand, competition is also important and we must ask how we can reinvent ourselves and compete in order that we can perform better. In aviation, for example, the industry in which I am involved, the entry into the United Kingdom market of Ryanair, a company which is not my greatest friend, resulted in significant price depletion. One must be careful not to go too far in this regard because, as Mr. Taft noted, a monopolistic scenario can

arise. Nevertheless, Ryanair had a very positive effect on Irish consumers and public transport.

It is vital for private operators and the transport trade unions and their members that a level playing field is in place. The procurement process needs to be revisited. Mr. O'Leary made a good point on a French company entering the market. This trend is not confined to transport and it extends to other sectors. The reason for this is that Ireland is not operating on a level playing field. We must review the way in which we deal with procurement.

I was a little bothered by the point the witnesses made about looking at contracts of employment for drivers who work for private companies. It is not fair to make a general assumption on this issue. From what I have seen, these contracts of employment are generally very competitive. While there may be exceptions, for example, one could point the finger at a tractor at the National Ploughing Championships, we would be better off moving from minor matters and looking at the big picture. I strongly believe public transport has a very important role to play in future.

Mr. Dermot O'Leary: As Senator Ó Céidigh is aware, the public service obligation is vital for Donegal and Sligo airports. Ryanair and Senator Ó Céidigh's company competed for PSO contracts at certain airports over the years, including Farranfore.

To respond to Senator Ó Céidigh's point on contracts of employment, trade unions are at one on this issue. I will not refer to any company by name because I am not allowed to do so. On the wages paid in the commercial Expressway market, one bad operator in this market is primarily, albeit not completely, responsible for Bus Éireann's problems. I refer to only one company, even though five companies are operating in some of the Expressway corridors, including Bus Éireann. One rogue operator can seriously damage another company. Some entity involved in the regulation of employment, including driving hours, must sit on these types of companies and root out this type of behaviour.

As we pointed out, we are not afraid of competition. What we want is a level playing pitch. We want to be told that the meagre pension paid to CIE employees and all the conditions available to our members will also apply across the private sector. We would then have a level playing pitch. In such circumstances, we should let the best man win, so to speak. We would organise in these companies in any event. Contrary to popular belief, the trade unions do not regard competition as an evil.

Chairman: That concludes today's engagement. I thank the witnesses and members for their contributions. While the forum has been designed to facilitate the most open discussion possible, I regret that we cannot delve into certain areas for various reasons. I appreciate the witnesses taking time to attend. The joint committee will do further work on the information they have provided.

The joint committee adjourned at 11.40 a.m. until 1.30 p.m. on Wednesday, 9 November 2016.