# DÁIL ÉIREANN

# AN ROGHCHOISTE UM IOMPAR, TURASÓIREACHT AGUS SPÓRT

## SELECT COMMITTEE ON TRANSPORT, TOURISM AND SPORT

Dé Céadaoin, 5 Nollaig 2018 Wednesday, 5 December 2018

The Select Committee met at 9.30 a.m.

### MEMBERS PRESENT:

Deputy Ruth Coppinger,	Deputy Shane Ross ( <i>Minister for Transport,</i> <i>Tourism and Sport</i> ),
Deputy Imelda Munster,	Deputy Robert Troy.

DEPUTY FERGUS O'DOWD IN THE CHAIR.

### **Estimates for Public Services 2018**

### Vote 31 - Transport, Tourism and Sport (Supplementary)

**Chairman:** I welcome the Minister for Transport, Tourism and Sport, Deputy Ross, and his officials. Apologies have been received from Deputy Catherine Murphy. I remind members to switch off their mobile phones completely for the duration of the meeting as they cause interference with the broadcasting and recording systems in committee rooms, even when left in silent mode. This meeting has been convened to consider the Supplementary Estimate for Vote 31 - Transport, Tourism and Sport, which was referred by the Dáil to the committee on 21 November 2018 with an instruction to report back to the Dáil not later than 12 December 2018.

I welcome the Minister to discuss the Supplementary Estimate. I also welcome officials from the Department and thank them for the brief we have been given. The format is that the Minister will make a statement and then members, who indicate and want to speak, can comment on the Minister's statement and question him on that. We will then consider the Estimate. Is that agreed? Agreed. I remind members that, in accordance with Standing Orders, the discussion should be confined to the items constituting the Supplementary Estimate. I call the Minister.

Minister for Transport, Tourism and Sport (Deputy Shane Ross): I thank the Chairman and I apologise for being late. I hit an unavoidable problem on the way in which was none of my own making. I thank the Chairman and committee for the opportunity to present details of this Supplementary Estimate for my Department. As the members will be aware from the advance brief circulated, there are two elements to the Supplementary Estimate. I refer to a sum of  $\in 6$  million from the Irish Aviation Authority, IAA, dividend and  $\in 37.5$  million, which has been agreed with the Minister for Finance, Deputy Donohoe, to boost investment in the transport, tourism and sport sectors.

Given the IAA's strong financial performance and significant surplus cash reserve, it was agreed it was sufficiently well funded to pay at least one special dividend. This is in addition to the agreed annual dividend policy of 30% of profits after tax. As part of that agreement, the IAA committed to further special dividends in 2019 and 2020, subject to prevailing conditions. As was the case this year, I will consult the Minister for Finance with a view to retaining a portion of the special dividends, to again be reinvested in the work of my Department. The second part of the Supplementary Estimate,  $\in$ 37.5 million, is being allocated for a range of projects.

The Estimates for 2018 provide an overall gross allocation to the Department of Transport, Tourism and Sport of  $\notin$ 2.03 billion. This additional money will now bring the total allocation to  $\notin$ 2.07 billion. The total allocation is used to provide investment in critical infrastructure and to ensure that vital services are available to the public during 2018. I will briefly go through the areas that are recipients of this additional money. Funding of  $\notin$ 1.5 million for aviation will assist with operational grant applications from the regional airports. The majority of this funding focuses on supporting the wage costs for the provision of essential safety and security services. In the public transport area,  $\notin$ 5 million has been allocated for bus and Luas investment. This will partly fund bus fleet purchases and partly fund a stage payment for the eight additional Luas trams being purchased under the green line capacity enhancement project.

A sum of  $\notin 200,000$  will go towards an Irish Rail accessibility app which will assist rail users with sensory or mobility impairments and  $\notin 400,000$  will be invested to improve the safety of cyclists by installing cyclist detection systems at junctions. There will also be  $\notin 3$  million for working capital relating to the bus market opening, BMO, programme, which commenced on 9 September. The working capital requirement for BMO arises from the gross cost contract arrangement with Go Ahead and Bus Éireann for routes that have been opened to competition. In this case, the National Transport Authority, NTA, will collect all fare revenues and carry the associated revenue risk.

In the roads area, the main allocation will be to regional and local roads, with an additional allocation of  $\notin 15.03$  million towards roads maintenance. As the committee will be aware, in recent years the impact of severe weather has intensified the vulnerability of a weak network in need of maintenance and repair. This amount will be allocated to local authorities affected by such events this year under a new special maintenance grant. In addition,  $\notin 700,000$  will also be allocated to the purchase of salt for use on regional and local roads. The severe winter just gone resulted in exceptionally high salt usage and, therefore, this additional money will ensure adequate stocks are again in place. Funding for national roads will be increased by  $\notin 3$  million to cover winter operations, public lighting and other outstanding maintenance. A sum of  $\notin 7$  million will be used for a payment to FBD in respect of the compensation, legal costs and court interest payable on a case from 2009 where a court of appeal found the State had liability.

Under the maritime heading, search and rescue helicopters have been adapted for the night vision imaging system, NVIS, and the necessary night vision goggles have been purchased. This system is necessary to improve search and rescue capability. The allocation in the Supplementary Estimate of  $\in$ 1.7 million will go towards the provision of training on the use of the NVIS. This will complete the project adapting search and rescue helicopters and crews to night vision imaging systems.

In sport,  $\in 1.5$  million is being allocated to Sport Ireland for high performance sport. This funding will be used to assist athletes' preparations for major competitions, including the 2020 Olympic and Paralympic Games in Tokyo and key world and European championship events. A sum of  $\in 1.12$  million is being provided to Sport Ireland to meet the following costs. A sum of  $\in 750,000$  has been allocated to the Irish Open golf event,  $\in 100,000$  to Paralympics Ireland,  $\in 120,000$  to anti-doping and  $\in 150,000$  to the women in sport programme.

In regard to tourism,  $\notin$ 500,000 will be spent by Fáilte Ireland targeting short breaks over the winter specifically to visitors from Northern Ireland and it will also spend  $\notin$ 100,000 supporting more international publicity. A sum of  $\notin$ 250,000 will be spent to enhance the programme for the New Year's Festival Dublin to deliver an even better festival and to attract and grow additional tourist traffic at a time of year we have spare airline and accommodation capacity. Tourism Ireland will spend  $\notin$ 2.5 million on a range of tourism marketing initiatives. My Department has a vital role to play in Ireland's social and economic prosperity and I am pleased that this additional allocation, together with the funding committed over the lifetime of the national development plan, should enable us build a better Ireland. I am happy to address any questions the committee may have.

**Chairman:** I thank the Minister. I am in the hands of the committee as to how it wishes to deal with this. The proposal suggested to me is that each member would ask generic questions on the Minister's statement and then we can go through each heading. It is up to the committee as to how it wants to do this.

Deputy Robert Troy: We can go through it heading by heading.

Chairman: That is fine.

**Deputy Robert Troy:** I hope the committee is fine with that. The Minister's statement is a summarised version of the headings.

**Chairman:** I am happy with that and it would be my choice. Is everybody happy with that? That is fine. I call Deputy Troy.

Deputy Robert Troy: The first heading is-----

Chairman: It is aviation and regional airports and the additional funding is €1.5 million.

**Deputy Robert Troy:** On the  $\in 1.5$  million going to regional airports, none of that funding is for capital work. It is all for the employment of additional personnel. Will that be spread across all of our regional airports or will it only be for one or two airports in particular? Given that it is current expenditure, will that mean the annual budget will need to increase by  $\in 1.5$  million next year?

Chairman: I call Deputy Munster to ask a question under that heading of aviation.

**Deputy Imelda Munster:** Is the allocation of  $\in 1.5$  million to regional airports for new hires? How is it possible to end up with a gap of  $\in 1.5$  million in wages in just one year? Will the Minister explain what is going on to bring about a need for this supplementary allocation? If it is being allocated to cover costs, as he said, that is worrying from a planning perspective.

Chairman: Has Deputy Coppinger a question on this area?

Deputy Ruth Coppinger: No, not on this area. I will on the next heading.

Chairman: I call the Minister.

**Deputy Shane Ross:** To answer Deputy Troy's question, this is spread over all airports.

I will address the question raised by Deputy Munster as well. There was not a gap. This is additional money, which came through mid-year. The figure is approximately  $\in$ 1.5 million for aviation. It came from the IAA dividend. In a sense, it was a windfall. We decided to distribute it accordingly. Committee members received a list with details of how the  $\in$ 6 million was distributed. Where there was need that had not been provided for, we provided for it. The allocations are mostly for security and safety in the regional airports and for where there are needs that might not have been fulfilled. It is something of a bonus rather than to cover a deficit.

**Chairman:** The question was whether the allocation is for additional essential safety and security services. Is it additional to what is there? Is it new? Are these new safety measures?

Deputy Shane Ross: Yes, it supplementary. It is additional.

**Chairman:** It does not say additional in the document. That was the point. It does not represent an overspend on what was being done. Is that accurate?

**Deputy Shane Ross:** No, it is money that came in. I will explain the dividend in case anyone does not understand it. The issue arose when I was speaking to the Minister for Finance during budget negotiations. He and I agreed that if I could negotiate a special divided from the IAA, it would be welcome because it would be additional money and the authority was getting a dividend. When we agreed on that, I went to the IAA. The IAA had a vast cash pile in the bank. The view was that the State could make use of that money rather than have it in the IAA coffers. The IAA agreed to give us a dividend, all other things being equal, of  $\in 12$  million per annum. The Minister for Finance agreed that we would split that with  $\in 6$  million for the Exchequer and  $\notin 6$  million for the Department. When that was agreed we had a certain amount that was extra. Some  $\in 1.5$  million of that went to the regional airports.

**Deputy Imelda Munster:** Will the Minister expand on the safety and security concerns? The money has been specifically allocated for this purpose.

**Deputy Shane Ross:** I do not know what the detail is at the moment but I can give the committee some stuff on it. I gather committee members received a note on the matter. The majority of the funding is focused on supporting the operational costs of the provision of essential safety and security services. The point is that this money can never be considered as state aid because it has no economic benefit. It does not yield extra income to the airport. If it did, it would be subject to state aid rules. It comes with the qualification of being for security and safety, which is important.

**Deputy Robert Troy:** The Minister said this is for recruitment of additional personnel at regional airports for security and safety. I understand that they will not be recruited for several months up to the end of this year. Will this require the budget for 2019 to increase by  $\in 1.5$  million to ensure these supports continue?

**Deputy Shane Ross:** The funding will go up overall next year. I am not sure what the numbers are at the moment for wages, but the allocation is being used for customs and fire brigade equipment and personnel as well. I suppose there will be an expectation that next year the figure will be a little higher as well.

**Deputy Robert Troy:** Is this to fulfil obligations under Brexit? The Minister mentioned customs.

**Deputy Shane Ross:** I do not think it is a Brexit-related issue.

**Chairman:** The Minister may not have the details at the moment but could he give committee members a note on the matter? That would be helpful.

Deputy Shane Ross: It is not Brexit-related. It relates to the normal course of events.

Chairman: Can we get a note post this meeting to identify those issues?

Deputy Shane Ross: Yes.

**Chairman:** The next section covers land transport. We will maintain the order of questioning. There are several headings under this section. We can take each heading separately.

Deputy Ruth Coppinger: We should take all elements under subhead B together.

**Chairman:** I am happy to do that. I am keen to ensure that everyone can ask any questions they want. We will take all headings under subhead B together.

**Deputy Robert Troy:** I will keep the questions specific. There is a  $\in$ 5 million allocation for bus and Luas investment. The Minister said an additional  $\in$ 5 million will be assigned partly

to bus fleet purchase and partly to stage payments for eight additional Luas trams. How many new buses will be acquired with the funding? When will they be delivered? Will these be new buses?

The money is being used to purchase new buses. Will they be hybrid buses or conventional buses? As the Minister will be aware, the State has decarbonisation targets to reach by 2020. Transport is now the second largest contributing sector to greenhouse gas emissions. It is important to have a clear move away from fossil fuels in transport. We need to accelerate our migration towards renewable energies.

There is an allocation of  $\notin 200,000$  for the Irish Rail accessibility app, which is a welcome proposal. The joint committee held hearings on how we can make public transport more accessible for people with a disability. The allocation is welcome, positive and to be complimented. Will the Minister give a timeline for when the app will be up and running? Given the intention of the app, will there will an additional requirement to ensure that the necessary personnel and supports will be at the various train stations? When someone arrives at a station, will operative assistance be available? I know from a previous briefing with Irish Rail representatives that many of the stations are not fully wheelchair friendly. We are putting in  $\notin 200,000$  for the app and that is welcome, but it may raise problems. If a person wants to travel from a particular station but that station is not wheelchair accessible, then there may be a problem. Can the Minister comment on that?

A sum of  $\notin$ 400,000 is allocated for the cycling package, which is small. We are still well below where we were when the Minister took over in terms of our annual spend on cycling. When does the he envisage that he will be back at the level of spending where the Department was before he took office?

Additional road money is welcome but we are still somewhat below our steady-state requirement. Does the Minister have any indication of when we might be in a position to meet that requirement? Ultimately, the longer we prolong investment in our roads, the more it will cost in the long run.

A sum of  $\notin 3$  million is allocated for the BMO project. We were all told that the opening of certain routes was to save money. Now we see that a large amount of capital expenditure is allocated at the outset. What exactly is the  $\notin 3$  million for? Will it go towards the provision and purchase of garage facilitates? How much money has the Department expended on the bus BMO project in total?

**Deputy Imelda Munster:** The Minister has allocated  $\in$ 3 million to working capital for the BMO project. I note the Minister did not allocate a single euro to the public transport obligation, PSO, despite the fact that public transport is in dire need of significant investment. That probably shows us what we have known all along. While the Minister might argue over the word, outsourcing is a means to the end goal of privatisation. It is very disappointing that the Minister did not seek to give an allocation to the PSO when he got the extra money. He is giving more money to speed up the process of privatisation to the detriment of Bus Éireann and the public transport network. He knows himself in doing that and by outsourcing its revenue which would enable it to fund less profitable routes. Could the Minister make a statement in that regard? It is clear that he is following that agenda and doing it in stages.

I am surprised extra funding was not provided, given the increasing need for security on the

public transport network, in Iarnród Éireann and Bus Éireann, something that has been in the media so much of late. Workers have had to endure more frequent assaults and attacks and they are vulnerable. The current security arrangements are not sufficient.

I too welcome the allocation of  $\notin 200,000$  for the rail accessibility app. Will the funding be sufficient to get the app up and running or will extra funding be required? We had a report on disability and we had the groups in here before the committee. All of them flagged up the nightmare of trying to go about their daily business on public transport. As Deputy Troy said, due to the lack of staff one must give 24 hours notice, and 48 hours notice at the weekend, and one cannot decide on the day that one will make a journey. The lack of staff at train stations is part of the problem. If I think of anything else I will come back in later.

**Deputy Ruth Coppinger:** I wish to ask the Minister a question on the same topic. A total of  $\notin$ 3 million is being allocated for working capital relating to the bus market opening programme. It arises from the gross cost contract arrangement that will go ahead in Bus Éireann for routes that have been opened to competition. In this case the National Transport Authority, NTA, will collect all fare revenues and carry the associated revenue risk. The announcement by the NTA of further privatisation of Bus Éireann services is a real blow to workers and trade unions who were of the belief that they had an agreement in 2015 to the effect that if any further routes were to be opened up to privatisation a period would be allocated for the assessment of how Go-Ahead Ireland has been doing. The Minister is meant to be a guardian of public money, but we hear now that the intention is to hand over  $\notin$ 3 million to open bus routes to a private company. The State will end up subsidising millions to a multinational company and it will inevitably end up providing subsidies in welfare due to the low pay of the workers that will be employed. My understanding from talking to members of the National Bus & Rail Union, NBRU, is that Go-Ahead Ireland is having real difficulty recruiting workers, who are on reduced terms and conditions compared to established workers in Bus Éireann and Dublin Bus.

Perhaps the Minister will dissociate himself and say this is up to the NTA, which is independent in its operations, but none of us believes that. We see the payment of  $\in$ 3 million as being ideological. Because the issue needs further exploration we should bring in the NTA and the unions in the new year to discuss matters. The unions are of the belief that, as I outlined, this is a breach of the agreement that they had on there being a period of assessment before any further routes would be opened. The cost effectiveness of the proposal was to be assessed, yet the Minister is now doling out more public money to allow the privatisation of services on worse terms and conditions for the workers. I assume the private sector is being handed the Dublin to Drogheda routes and the Dublin to Wicklow routes, which are in the commuter belt and are heavily trafficked, so would inevitably be profitable. The Minister is cherry-picking services. If Bus Éireann makes extra money at least it goes back into the economy whereas the private companies hand it out in dividends to their shareholders. How long will the public purse have to subsidise companies coming in at the taxpayers' expense?

**Chairman:** I welcome the additional funding, in particular the  $\in 15.3$  million for local roads. We must put even more emphasis on road improvements because of the safety issues that arise when there are potholes. Deputy Munster will be aware that travelling from Drogheda, coming in from the motorway, when one leaves the national primary route, there is no proper lighting. There are not even proper roads. The road network is from the early 20th century rather than the 21st century. Any additional money to be spent on the roads is very welcome.

I fully support the Irish Rail accessibility app. That is an important and welcome development. I invite the Minister to respond to the questions. If members wish they can respond to

### the Minister.

**Deputy Shane Ross:** Let me start with Deputy Troy's questions. He is correct that the  $\in$ 5 million will go towards buses and the Luas due to the growth in passenger numbers. There will be a staged payment for the Luas green line enhancement, which is a problem area.

The revised allocation will enable the NTA to take delivery of extra bus vehicles this year, enabling some of the additional services to be operated with a new bus fleet instead of older end-of-life vehicles. Discussions are ongoing with manufacturers as regards delivery scheduling. As the Deputy identified, there is a great need for new buses, rail and DART trains. We are moving as fast as we can on that. On the rail issue, we have been making some progress but the proposed refurbishment proved to be extremely expensive when it went out to tender. Irish Rail is now looking at buying second-hand carriages. Refurbishing some of the old carriages and buying second-hand carriages.

The app will be introduced early in 2019. It is moving full steam ahead. On cycling, Deputy Troy said the allocation of €400,000 is too little but it is an extra €400,000 in funding which we did not expect to have in the first place. It is going towards trying to prevent cycling accidents. The number of accidents last year increased by almost 50% to 15. Fortunately, it has decreased this year, but we cannot depend on that continuing. We are very conscious that we need to encourage cycling. There is regularly criticism from the committee and others about the amount of money the Government is spending on cycling in the light of the number of cyclists. We are putting in a considerable amount and have committed to spending a great deal more under the national development plan. We have bought into cycling. We know that it is part of the equation and helps the environment and the health of the nation and will relieve the traffic problem. It is probably unfair to criticise the Government on the basis that we are not doing enough regarding cycling. There was a reluctance to commit funding at one stage, but that is no longer the case. We made very serious commitments in the national development plan to triple the amount spent on cycling. A large amount is being spent on greenways. Under the BusConnects project, we have committed to 200 km of dedicated and segregated cycleways to run alongside the bus corridors. The commitment is there and it is underlined by the fact that an extra €400,000 from this windfall will be spent on making the roads safer for cyclists, particularly at junctions. We intend to continue in that vein.

On the BusConnects market opening addressed by Deputy Troy, there is probably something of a misconception. The money is not being handed over as a current or capital payment. It will not be allocated to Go-Ahead as Deputy Coppinger suggested. It will be used to address a cashflow issue involving a probable gap in revenue and will enable the project to progress. It is certainly not being allocated to Go-Ahead.

Deputy Munster raised the issue of privatisation being the end goal. We have had this conversation before. It is not and will not be the end goal. Although the Deputy refers to it as privatisation, nothing is being sold. Privatisation only occurs when an asset is transferred from one person or company to another.

Deputy Imelda Munster: The routes are being outsourced.

**Deputy Shane Ross:** This is not privatisation. A tendering process is being set. To the best of my knowledge, Bus Éireann and Dublin Bus are tendering for all of the routes. It is open to outside companies, including those from outside the State, to tender. The selected provider will

get a contract which will probably run for five years. However, it will not get any assets. We are not selling any assets. The contract will last for a limited period of time. There is an open competition to provide the services. The State companies will compete to provide the services. They have won such tenders previously and presumably will do so in the future. The objective is not privatisation but, rather, to introduce more competition in the market in order to benefit the consumer. Obviously, competition is healthy. It may not be welcome from the point of view of the incumbents, but they compete very successfully for such tenders. We must realise that we have some very successful bus companies of which the Deputy would be very supportive which are carrying far more passengers. The introduction of new routes and companies can only help passengers and expand the service. That will not necessarily be to the detriment of the incumbents. The Deputy and I probably differ in our definitions of privatisation. She seems to believe that the tendering of the routes is privatisation. It is true that some of the routes will be operated by new companies for a finite period, but no assets are changing hands.

**Deputy Imelda Munster:** May I come in on that point? Does the Minister accept that if Bus Éireann does not win the tender, it will experience an immediate reduction in revenue because the majority of routes put out to tender are the most profitable ones? The most profitable routes are being creamed off such that our national bus service is weakened every time a route goes to tender. As the Minister knows, it is all about business models. Bus Éireann's chance of successfully tendering for contracts is weakened because some of the most profitable routes have been privatised and its revenue is down as a result. It is being progressively weakened. This is privatisation. Assets may not be sold but the constant outsourcing to the detriment of our public transport network is privatisation.

Chairman: On the point made by the Minister-----

**Deputy Ruth Coppinger:** Can the Minister explain the events involving the cashflow issue while-----

Chairman: I wish to make a point to the Minister.

Deputy Ruth Coppinger: It is on the same topic.

Chairman: I know that and I will bring the Deputy in momentarily.

Deputy Ruth Coppinger: I will wait patiently. It is on the same issue.

**Chairman:** I patiently listen to the Deputy and hope she will do the same for me. I defend everybody's right to ask questions, including mine.

I ask the Minister to clarify whether these are profit-making routes.

Deputy Shane Ross: They are not the most profitable routes.

Chairman: That is the whole point.

Deputy Shane Ross: Yes. That is not what happens at all.

Deputy Robert Troy: They are not the most profitable routes but they are-----

Deputy Shane Ross: No, they are not.

Chairman: I ask Deputies to preserve order.

**Deputy Robert Troy:** Are the routes profitable?

**Deputy Shane Ross:** They are not. They are all public service obligation, PSO, routes. They are socially necessary but not financially viable.

Deputy Ruth Coppinger: If that is the case, why would a private company want them?

Chairman: May I try to keep the debate orderly?

**Deputy Ruth Coppinger:** We are just asking questions on the issue.

Chairman: The Deputy may throw her eyes up to heaven if she so wishes.

Deputy Ruth Coppinger: I did so because the Chair is intervening unnecessarily.

**Chairman:** I am not. I am trying to help the Deputy. The key point the Minister needs to clarify is how many of the routes that are mentioned are PSO routes.

**Deputy Shane Ross:** I think they are all PSO. They are not the most profitable routes. We must make it clear that although certain things are said here genuinely and with great conviction, this is not an issue of asking someone to cherry-pick the most profitable routes. These are not the most profitable routes. They are all PSO routes, which means they are not profitable.

Deputy Imelda Munster: On a point of clarification, I have always stated------

Chairman: I want to try to allow all members to contribute.

**Deputy Imelda Munster:** I stated that private companies cherry-pick the most profitable routes.

Chairman: I call Deputy Coppinger and Deputy Munster may then come back in.

Deputy Ruth Coppinger: I will let the Minister conclude his point.

Deputy Shane Ross: May I finish my reply?

Chairman: I am happy if Deputy Coppinger is.

Deputy Ruth Coppinger: I will wait for the Minister to conclude.

**Deputy Shane Ross:** As far as I know, there is no reduction in revenue to Bus Éireann or Dublin Bus because they have expanded their services. What is happening in the bus and public transport market is quite exciting. It should not be knocked. We should welcome the fact that outside companies want to tender for these routes because, as members are aware, the passenger numbers are increasing very quickly as a result of a boom in the economy. As a result of that, everybody is benefiting. It would be wrong to say that it is damaging to Dublin Bus. It is currently expanding its services because of the increase in passenger numbers. There is room for the incumbents. The great beneficiaries here, hopefully, will be the passengers and there is evidence of this. Those are the people who we want to see benefit. The introduction of new operators has benefitted the passengers. It has not created any unemployment. At present, the expansion in the demand for public transport services is being filled successfully both by Dublin Bus and Bus Éireann and by outsiders, and this competition is working.

**Deputy Ruth Coppinger:** This is obviously an area of interest for all of us. We need to interrogate this further. None of us here has to hand the figures of the routes being spoken of

and we cannot really get into this. We need to get those figures. We need to have the NTA in and have the union representatives in. The Minister claims that these are not profitable routes. My understanding is that those buses are packed every day. They certainly are at the more profitable end.

Chairman: Is Deputy Coppinger looking for a list of all of those routes?

**Deputy Ruth Coppinger:** Yes. We need to get the figures first. The point being made is that a cost-benefit analysis was not done in this regard before deciding to put them out to tender.

We need to interrogate the claim that it will benefit consumers. Is the Minister saying the prices will go down? Generally, what happens is that routes that are not so well populated lose out and that is not of benefit to the consumer overall.

Lastly, the Minister might explain what he meant. I took it down as I have a bit of shorthand. The Minister stated this  $\in$ 3 million was for a cashflow issue while there is a gap in revenue. The Minister stated it was not to help the private company. I did not understand what was meant by a cashflow issue while there is a gap in revenue.

Chairman: Is the gross cost contract the issue there?

Deputy Shane Ross: I will deal with that, hopefully, in consequential order.

First, the  $\notin 3$  million is not going to Go-Ahead. That is not what happens. It is a cashflow issue. In other words, it is bridging a gap. It is a working capital requirement for bus market opening. It arises from the gross cost contract arrangement, to which the Chairman referred, with Go-Ahead and Bus Éireann for BMO routes whereby the NTA will collect all fare revenues and bear the associated revenue risk. In other words, it is bridging. The working capital requirement is driven by a combination of the timing difference between the contractual payments to the relevant operators and the subsequent drawdown from the Department. It includes an amount to mitigate the revenue risk of the annual estimated fare revenue in the event that forecasted revenues are lower than expected. It is a bridging cushion. It is certainly not handing over money to Go-Ahead. The  $\notin 3$  million is not going to Go-Ahead.

Deputy Robert Troy: If it is bridging finance, will the company pay it back?

Deputy Ruth Coppinger: To whom is it going?

**Deputy Shane Ross:** It is basically run, in this case, by the NTA. The NTA will be holding the bridging finance. It certainly will not be going to Go-Ahead in that sense. It is a timing issue, rather than an asset issue.

**Deputy Ruth Coppinger:** Is it going to the NTA?

**Deputy Shane Ross:** The NTA will be organising that, as it will all the routes. All the routes are on the NTA website. The Deputy cannot ask me to micro-manage in a way where I decide what routes are profitable and what routes are not. By definition, all these are unprofitable because they are PSO routes.

Deputy Imelda Munster: I support Deputy Coppinger's request that we invite in the NTA.

**Chairman:** The problem is that this is an Estimates meeting and it is only Members of the Dáil who can be here. There is correspondence which the committee received from Deputy

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Coppinger on that issue but it can only properly be considered by the joint committee.

### Deputy Imelda Munster: All right.

**Chairman:** Can I get clarity on this? Would it be helpful if the Minister can supply details, today or as soon thereafter, of these routes and how PSO routes are defined?

Deputy Shane Ross: I certainly cannot supply it today. I do not mind coming back on it.

Chairman: Hold on a second, I am trying to be helpful.

Deputy Shane Ross: Sorry.

**Chairman:** There is additional funding being spent here and the members are entitled to know what the routes are and whether they are PSO or not. Is that not the point at issue here?

**Deputy Ruth Coppinger:** At a future meeting, we need to have the figures in front of us and question the NTA.

Chairman: That is fine.

**Deputy Ruth Coppinger:** We would like to know exactly where the €3 million will go.

**Chairman:** At a meeting of the joint committee, Deputy Coppinger's correspondence will be read. I presume that would be agreed. Is there any other point arising from the debate today?

**Deputy Imelda Munster:** I seek clarification from the Minister on the routes that currently are going out to tender and which the Minister has stated are not profitable. Can we have information concerning what private operators currently have contracts on those existing routes that could have possibly led to those routes in the public transport service becoming unprofitable?

**Chairman:** The problem I see there is that I could be a private operator but I am not getting any funding from the Department. The Department might not even know that I am there.

**Deputy Imelda Munster:** I am not saying anything about the private operator and the competition. Where there are routes where private operators are operating and we are putting our public network routes out to tender, I wish to ascertain whether there are private operators currently operating on those routes that may have led in some way to those routes becoming unprofitable, as the Minister stated a few moments ago.

Deputy Shane Ross: The answer to that is, "No, there are not".

Deputy Imelda Munster: I refer to the 101X, Drogheda-Dublin, route.

Deputy Shane Ross: I am not familiar with that route but-----

Deputy Imelda Munster: That is one of the routes that is going out to tender.

Deputy Shane Ross: -----but I gather, generally, that is not the case.

Deputy Imelda Munster: That is why I am asking.

Deputy Shane Ross: I can check that specific route for the Deputy.

Deputy Imelda Munster: Could we have details of whether there are other operators op-

erating currently on any route that is going out to tender?

Chairman: My point is, how would the Department know?

Deputy Imelda Munster: The NTA give out the contracts.

Deputy Shane Ross: All those routes are unprofitable.

Chairman: If I want to run a bus from A to B, can I do that?

### Deputy Imelda Munster: Yes.

**Chairman:** The NTA is coming in next week. We cannot debate that at the meeting as such but we can ask its representatives to address that issue. I presume we will agree to a meeting thereafter.

**Deputy Ruth Coppinger:** Why would a private company tender for unprofitable routes? It does not make any sense.

Chairman: Because there is a PSO. The PSO is a subsidy.

**Deputy Robert Troy:** There is a misconception here that a PSO means the route is unprofitable. That is not true. It is a public service route. Some public service routes are profitable. What has been used in the past is the ability of profitable routes to cross-subsidise unprofitable routes. We know the routes. They are: the 17A, the 33A, the 33B, 45A, 45B, 59, 63, 63A, 75, 75A, 102, 111, 175, 184 and 185. Those are the routes that are currently operated by Go-Ahead. They are publicised routes. They are on the website for anybody, including the Minister, to familiarise him or herself with.

The question I have relates to the  $\notin 3$  million in taxpayers' money that is being made available for market opening. What exactly is it for? First, it was stated that because it is only a contracted service, it is for capital expenditure and the money is being spent to upgrade State infrastructure. Now we are being told it is some sort of bridging finance. Certainly, any time I got bridging finance I had to pay it back. We are told then Go-Ahead is not getting it, the NTA is getting it and there is no need for paying anything back. I am a little confused about exactly what the  $\notin 3$  million is for. The Minister should state clearly what the  $\notin 3$  million is being spent on.

**Deputy Shane Ross:** It is not capital expenditure. Deputy Troy stated someone said that. I do not know who said that. I certainly did not say that.

Chairman: The Minister stated "working capital" here.

**Deputy Shane Ross:** It is working capital. It is going in specifically as working capital, as bridging finance. That is what it is. It is not money being transferred somehow from the State to a private company. It is going in as working capital and that is its pure purpose. I will read this definition carefully because I asked for it. It states that the working capital requirement is driven by a combination of the tiny difference between the contractual payments to the relevant operators and the subsequent drawdown from the Department. It is purely bridging. It also includes an amount to mitigate the revenue risk of the annual estimated fare revenue in the event that forecasted revenues are lower than expected. It is, therefore, simply a cashflow issue.

Deputy Robert Troy: The money is being paid to Go-Ahead.

Deputy Shane Ross: It is not being paid to Go-Ahead.

**Chairman:** Go-Ahead will draw down the money but, before it goes through, in the interim it will go to the NTA to pay Go-Ahead. Is that the case?

**Deputy Robert Troy:** It is going to the NTA and then to Go-Ahead. While it is not going directly from the Minister's Department to Go-Ahead, it is going to the NTA to pay Go-Ahead.

**Deputy Shane Ross:** It is not being transferred to Go-Ahead permanently. It is a cashflow issue, which there is in any-----

**Chairman:** Go-Ahead is due a sum, and the money goes to the NTA to pay that sum. Is that the case?

Deputy Shane Ross: Yes.

Deputy Robert Troy: Go-Ahead is the net beneficiary of the money.

**Deputy Shane Ross:** I will ask the official to clarify this matter if he so wishes, because it is important.

Mr. Kevin Doyle: This is a select committee.

**Chairman:** I have no issue with Mr. Doyle speaking if he wishes. I presume that the other committee members are also happy with it.

**Mr. Kevin Doyle:** There is a working capital requirement in the NTA. There is a contract between the NTA and Go-Ahead, and payment must be made to Go-Ahead, but the payment falls due in advance of moneys being transferred from the overall PSO pot from the Department. That is one aspect, while the other is that this is a gross-cost contract. It is not like the Dublin Bus contract, which, like Bus Éireann, collects all the fare revenue and keeps it. The difference between its costs and the fare revenue is the PSO payment to those operators.

In the case of the two Go-Ahead contracts and the Bus Éireann contract for Waterford, they are gross-cost contracts, which means the NTA collects the fare revenue and Go-Ahead does not keep it. It is paid an amount to provide the particular services. Fare revenue is only estimated and, therefore, there is a revenue risk for the NTA and the fare revenue might not be as robust as forecast. For that reason, it needs to hold working capital within the NTA to counter it.

Chairman: Is everyone happy to move on from the second heading?

**Deputy Robert Troy:** We focused on that predominantly. There was some toing and froing but I asked the Minister a number of questions which were not answered.

Of the  $\in$ 5 million for bus and Luas investment, how many new buses will it deliver? Will they be hybrid buses? When were the eight additional Luas trams ordered and when will they be delivered? I also asked how many rail stations are not fully accessible. While the allocation of  $\notin$ 200,000 is most welcome, have we quantified how much it will cost to make all our rail stations fully accessible? The Chairman and I attended the briefing with Irish Rail, and he is aware there is a significant problem with accessibility at rail stations. It will take considerable capital investment to address it. While the app is welcome, if people are being brought to a station but they cannot be facilitated when they arrive, that is another question.

On the cycling budget, according to the Minister's own figures, he is not spending what was

spent by his predecessor. In 2015, the annual cycling budget was  $\in 18$  million but last year, it was just over  $\in 10$  million. The allocation of  $\in 400,000$  is welcome, and the Minister claims that I am being overly critical by saying it is not enough, but we are not where the Department was before he came to office. I welcome that the Minister says he is a late convert to cycling and that he has bought into it, which is positive, but he should demonstrate his conversion by giving back the money his Department stopped giving to cycling infrastructure for the past two years.

**Deputy Shane Ross:** On the low-emission issue, the national development plan commits to a transition to low-emission buses including electric buses for the urban bus fleet, with no diesel-only buses purchased from July 2019-----

**Deputy Robert Troy:** I am asking about the €5 million that was allocated. I am not talking about from 2019.

Chairman: Deputy, the Minister is entitled to give his reply.

**Deputy Shane Ross:** There will be no diesel-only buses purchased from July 2019, in line with the BusConnects programme. We are transitioning to a green fleet for public transport, including electric buses for the urban public bus fleet, with no diesel-only purchases from July 2019, while promoting commercial bus services and small public service vehicle industry to pursue a low-emission fleet. It is our intention that the latest buses will be the last diesel-only buses ever purchased.

**Deputy Robert Troy:** How many new buses will the €5 million that has been allocated deliver?

Deputy Shane Ross: We do not know that figure at the moment.

**Deputy Robert Troy:** Will the Minister confirm that the buses will be diesel only, given that they will be delivered before July 2019?

Deputy Shane Ross: Yes, I think so.

**Deputy Robert Troy:** That is regrettable because as a country we are leaving ourselves wide open to fines from the EU for failing to meet our targets for 2020. We do not have a hope in hell of meeting those targets.

**Deputy Shane Ross:** It is regrettable but we must do it under the current contract, and it is why we are taking this initiative from July 2019.

**Chairman:** We will move onto the third heading, which relates to maritime administration and the Irish Coast Guard.

**Deputy Robert Troy:** I hope the Minister will revert to me about the accessibility of various rail stations. I appreciate he does not have the information to hand today.

### Deputy Shane Ross: Yes.

**Chairman:** In the absence of any questions on maritime administration, are there any questions on the fourth heading, which relates to Sport Ireland?

**Deputy Robert Troy:** I have a question about maritime administration. A report was produced on the Irish Coast Guard following the tragedy last year in which four people lost their lives. Will the additional funding be sufficient to ensure all the recommendations of that report will be implemented? Has the Minister set a timeline for the officials to ensure each of those recommendations is implemented?

**Chairman:** I have been asked to appear on an RTÉ programme and, therefore, I must pass the Chair over. As the Vice Chairman is not present, I ask Deputy Troy to take the role. Is that agreed? Agreed.

Deputy Robert Troy took the Chair.

**Deputy Shane Ross:** In response to the Acting Chairman's question, it certainly is my intention to implement all those recommendations.

Acting Chairman (Deputy Robert Troy): Has the Minister set a timeline?

Deputy Shane Ross: We will act in accordance with any timelines set by the report.

Acting Chairman (Deputy Robert Troy): I do not want to abuse the position of Chair but the Minister needs to set a clear timeline for their implementation.

**Deputy Shane Ross:** There are safety implications but we will implement as soon as we possibly can.

Acting Chairman (Deputy Robert Troy): Is the supplementary budget that has been allocated sufficient to ensure they are implemented?

**Deputy Shane Ross:** I assume the Acting Chairman is referring to the  $\in 1.7$  million for pilot training? We will have sufficient money with the general budget that is going to the Coast Guard.

Acting Chairman (Deputy Robert Troy): I apologise, I have made a mistake. There is no additional money and no supplementary funding under this subhead for the implementation of the report.

**Deputy Shane Ross:** There is  $\in 1.7$  million to fund training for night vision goggles and this is coming out of the IAA dividend. That will be sufficient for the training and we believe we will have sufficient resources for all the recommendations.

Acting Chairman (Deputy Robert Troy): There was no need for supplementary resources.

Deputy Shane Ross: There is need for supplementary resources for this.

Acting Chairman (Deputy Robert Troy): There is, however, no need for supplementary resources for the implementation of the report.

Deputy Shane Ross: We do not believe so.

Acting Chairman (Deputy Robert Troy): The next subhead is D5, which relates to sport.

**Deputy Ruth Coppinger:** The thing that stood out here was the fact that  $\in 1.2$  million was being allocated to Sport Ireland, of which  $\in 750,000$  was going to the Irish Open golf, in comparison to  $\in 100,000$  going to Paralympics Ireland and  $\in 150,000$  for the entire Women in Sport programme. Golf is a very wealthy sport so why does it need such a subsidy? The Irish Open was sponsored by Dubai Duty Free last year. Is that also the case this year? Prize money for golfers is stratospheric so why does the taxpayer have to fund Irish Open golf to the tune of

 $\notin$ 750,000 while the Women in Sport programme gets  $\notin$ 150,000, with Paralympics Ireland getting even less? Well-funded sports in which well-heeled people take part seem to enjoy quite a lot of subsidies and grants. I do not see how the Irish Open could need a handout from the public purse.

**Deputy Shane Ross:** The Irish Open is getting  $\in$ 750,000 and Paralympics Ireland  $\in$ 100,000. This decision was made by Sport Ireland and that organisation is there to make such decisions. Perhaps the Deputy could ask Sport Ireland. I have every confidence in Sport Ireland and what it is doing.

Deputy Ruth Coppinger: The Minister agrees with it.

Deputy Shane Ross: I understand the point the Deputy makes. The funding represents an increase of €250,000 on the level of funding provided in 2018. The money being provided to Paralympics Ireland is to meet a cost overrun from the hosting of the World Para Swimming European Championships at the National Aquatic Centre in August. On 5 April last, Sport Ireland was contacted by Paralympics Ireland with a request for support in delivering these championships. Paralympics Ireland stated that it was experiencing significant financial challenges in the context of hosting the championships in Dublin from 13 August to 19 August. These financial challenges centred on two areas, transport and accommodation, which were mostly due to costs escalating since the bid stage in August 2014. They requested an underwriting agreement to the value of €140,000 from the Department of Transport, Tourism and Sport to ensure the financial viability of the event and to eliminate any risk of the event cancellation, the effects of which would be very significant for Paralympics Ireland and the Irish sport sector. It is now anticipated that the drawdown will be close to €100,000. In meeting this request, Sport Ireland noted that Paralympics Ireland would provide an additional €100,000 and the International Paralympic Committee would provide an additional €150,000. With the provision of these additional funding streams, Paralympics Ireland delivered a successful championship. They probably met what was needed at that time. The issue relating to the Irish Open is somewhat different from that relating to golf clubs. I appreciate that the Deputy has an interest in golf clubs.

Deputy Ruth Coppinger: I have very little interest in golf.

**Deputy Shane Ross:** There is a very wide debate on whether golf clubs should be supported with public money if they have a lot of their own funds. The Irish Open is a very big, national event which needs and merits support if it is going to benefit the economy and bring tourism to the country.

**Deputy Ruth Coppinger:** I was not querying the position regarding Paralympics Ireland but I drew a contrast between the amount of money allocated to Irish Open golf and the fact that the entire Women in Sport programme gets one fifth of that. I know it brings in tourists and I am not averse to golf because people like it, but there is massive prize money for this competition. Are we going to subsidise something which is very well funded as it is? There are many events that bring people into the country, such as the marathon.

**Deputy Shane Ross:** Yes, and some of them need a large amount of funding. The marathon needs a different amount of money from what the golf needs but I would not underestimate the extraordinary success we have had in bringing sportspeople from all over the world. The events we plan to hold in golf, soccer and other sports will benefit the entire nation.

Deputy Ruth Coppinger: I understand the fact that Sport Ireland makes the decisions but

we are sitting here endorsing that decision by allocating the funds so we are entitled to question it.

### Deputy Shane Ross: Sure.

**Deputy Ruth Coppinger:** I agree with supporting people trying to reach the Olympics and I know that separate grants are available that can benefit individual clubs but Women in Sport has been highlighted a lot this year and the women's hockey team was highly successful. The soccer team was probably more successful than the men's so the amount allocated to women's sport seems quite small. When officials are in meetings with Sport Ireland, these are things they should be asking about.

Acting Chairman (Deputy Robert Troy): I agree with what Deputy Coppinger said. It looks quite poor that we are only giving  $\in 150,000$  in additional funding to Women in Sport, but I am conscious that it is a Supplementary Estimate. What does this bring the actual 2018 figure to? What percentage of the overall sports expenditure is geared to women in sport? I would hate the perception to go out from this committee that golf is elitist and in my county, many small golf clubs do great work with juvenile golfers. Any teenager should be able to participate in the sport of their choice.

A portion of this money comes from a special dividend from the IAA. Are we confident that this money will be available for the various sporting bodies next year?

**Deputy Shane Ross:** I will deal with Deputy Coppinger's comments first. The point she makes is fair. We should examine in detail the proportionate amounts given to these various organisations, as we do. The  $\in$ 150,000 for the Women in Sport programme comes from the Supplementary Estimate. The Deputy rightly points out that, superficially, that is only one fifth of the amount given to golf. We doubled the funding for the Women in Sport programme to  $\in$ 2 million. In the area of disability, we created a new  $\in$ 1 million programme for disability sport through the deployment of sports inclusion disability officers in all 26 local sports partnerships countrywide. We also gave a  $\in$ 1.5 million allocation to high-performance programmes in support of the Tokyo 2020 preparations. We have certainly acknowledged, through the supplementary grant of  $\in$ 500,000 to women's hockey out of the IAA dividend, the tremendous success of Irish women in sport in the past year. We will continue to provide support in the future. We have a bit of catching up to do in that area. That is readily acknowledged. We are determined to do that.

The Acting Chairman raises a good point. Golf is always painted as very elitist. In many clubs playing golf at a high level is only open to the better off, but there are pitch and putt clubs all around the country. That should be acknowledged. People derive a huge amount of benefit for their health and mental health from pitch and putt. It is to be found in every village in Ireland. It is not an elitist sport which should not be encouraged in the same way as any other sport. It works at all sorts of levels. We must not forget that high-performance sport is one thing and big events another, but participation at village and street level is more important. While we all applaud the great achievements of our sportsmen and sportswomen around the world and the medals and great titles they have brought back, I have no hesitation in saying that the real benefit of sport to the nation is found in the young boys and girls one sees every week-end getting huge benefits for their mental and physical health while being kept away from other pursuits which might not be so good for them. That is the great benefit of sport. Participation is equally important - and probably much more important - for the health of the nation than the medals, which we applaud. The medals and icons are very important. It is important to have

people who are great achievers, but having large numbers of people actively participating on the ground is emphasised in our sports policy equally to, if not more so than, the achievements of high-performing athletes.

**Deputy Ruth Coppinger:** I would just like to say that we are not talking about pitch and putt clubs. We are talking about giving  $\notin$ 750,000 to one event at which the winner received prize money of \$1.116 million - whatever that is in euro - and for which there is a \$7 million total prize fund. We are not talking about helping people with their mental health. We are talking about subsidising very well paid people. That is all I am saying. If we are giving money to this one event, my question is whether it is needed. This event is run my Rory McIlroy and sponsored by Dubai Duty Free. I am not going to labour the point but the Minister should not pretend that it is for the benefit of village pitch and putt clubs.

**Deputy Shane Ross:** I was not attempting to do that at all. I was just trying to say that participation at street level is equally important. I do not want to dismiss the Dubai Duty Free Irish Open because its benefits to tourism in Ireland are significant.

On the Acting Chairman's question, I have not worked out the percentage but we can do that very easily. It is extra money. The  $\notin$ 51.6 million goes to sports in general. It would be easy enough to work out what percentage of that this figure is.

Acting Chairman (Deputy Robert Troy): I was asking to what figure does it brings the total expenditure on women in sport for this year and what that expenditure represents as a percentage of the overall budget. I imagine that would be well known.

**Deputy** Shane Ross: I will get that figure for the Deputy. I do not have it here but I will certainly produce it.

Acting Chairman (Deputy Robert Troy): I concur with Deputy Coppinger. The amount of funding being spent on the Irish Open as opposed to on Paralympics Ireland, anti-doping measures and the Women in Sport programme can be perceived badly. That is why I was using the example of the percentage of this year's overall expenditure being spent by the Department on the latter programme. This is IAA funding. As the Minister acknowledged, it was a windfall. Will this windfall be available next year? In the event that it is not, will the Women in Sport programme or the high-performance programme suffer a reduction in funding?

**Deputy Shane Ross:** They certainly will not suffer. I cannot guarantee that dividend will be available next year but we anticipate that it will. In other words, the expectation is that we will get the same  $\in 12$  million per annum,  $\in 6$  million of which will come to the Department, but it is not certain. It depends on the conditions in the IAA at the time. If it is in a similar position to where it is at the moment and where it was when we got the last dividend, I would anticipate that we will get the same dividend.

Acting Chairman (Deputy Robert Troy): I am interested in knowing how much money we are spending on the Women in Sport. programme As a percentage of the overall budget, how much money are we spending on the programme?

**Deputy** Shane Ross: I told the Acting Chairman that I can get that figure for him. I am not sure.

Acting Chairman (Deputy Robert Troy): What is the overall budget for this year? We should have this information. We are scrutinising the Supplementary Estimates.

**Deputy Shane Ross:** Some €51.6 million will be going to sports in general.

Acting Chairman (Deputy Robert Troy): How much of that is for women in sport?

**Deputy Shane Ross:** There is €1 million specifically for the Women in Sport programme but if we give money to sports in general, as we do when giving money to clubs, women will also benefit. It is somewhat difficult to say what specifically goes to the programme in question. It is a certain amount but women also benefit from the general funds going to sport.

Acting Chairman (Deputy Robert Troy): So we are talking about 2%. We are talking about increasing women's participation-----

Deputy Shane Ross: It is 2% for women specifically.

Acting Chairman (Deputy Robert Troy): It is a pittance.

Deputy Shane Ross: It is doubling next year. That is important.

Acting Chairman (Deputy Robert Troy): It will then be 3.8%. Is Deputy Coppinger happy enough?

**Deputy Ruth Coppinger:** I am not happy but I will leave it at that.

Acting Chairman (Deputy Robert Troy): We will move to programme E, tourism. Does Deputy Coppinger wish to speak?

Deputy Ruth Coppinger: No, it is fine.

Acting Chairman (Deputy Robert Troy): I welcome the additional funding that is being allocated. The Great Britain market has been particularly challenging for Ireland in the wake of Brexit. The numbers have fallen so it is a positive development that additional funding is being allocated. It is a little bit outside what we are talking about here but, in terms of the additional funding secured in the 2019 budget, has the Minister engaged with the key stakeholders to ensure that the necessary supports are put into the various regions that will be most adversely affected by the reintroduction of the 13.5% VAT rate? Has the Minister engaged with key stakeholders to ensure the necessary supports are put in place in the various regions that will be most adversely affected by the reintroduction of the 13.5% VAT rate?

**Deputy Shane Ross:** I thank the Acting Chairman for his remarks. The achievement in tourism is phenomenal considering the drop in the currency in the UK as a result of Brexit and the fact that the number of visitors from Britain has increased this year despite the fact that we have suffered so much in the context of currency movements. That is due to a large number of factors. Tourism worldwide is increasing but there have been some very effective marketing campaigns by both Stage agencies. Tourism is flourishing. The problems with tourism are the problems of success including not having a sufficient number of hotel bedrooms and other accommodation to meet the need of the demand of the people coming here. However, we anticipate that the money being given will be spent wisely, not just in diversification but also in defending the British market, and the signs so far are that that is happening. We anticipate a great deal of further success in the tourism industry this year and next year.

On the 13.5% VAT rate, it was a disappointment but we do not anticipate that it will result in some sort of permanent downward movement in the tourism industry because of the €35 million that has been granted to give incentives and promote marketing by Fáilte Ireland and Tourism

Ireland. We believe that will be sufficient to keep the tourism numbers at a very healthy level.

There will be supports for the regions. The Acting Chairman will be aware that in his own region, the Hidden Heartlands is something to which the tourism industry and the Government are fully committed. We anticipate that will increase in the coming years. It is the last geographical branding the country has and means the entire country is now covered by a message which has been a very successful strategy by the tourist agencies and by the Department. The supports, if necessary, will certainly be put in place. That is the reason the money is being provided, namely, to give incentives and make life more successful for those who may suffer from the difficulties Brexit produces for the tourism industry, but the current signs are that we will be able to fight it successfully.

Acting Chairman (Deputy Robert Troy): I ask that the Minister would engage with the key stakeholders. He will acknowledge that some regions are not benefiting to the same extent as and face greater challenges than others. While it must be acknowledged that the extra money is being allocated, it is important that the supports are put in place. We must ensure that industry and stakeholders are consulted in order to make sure that the best supports are provided.

**Deputy Shane Ross:** The Department has already been taking part in roadshows across the country with the key stakeholders to promote the issues the Acting Chairman mentioned.

Acting Chairman (Deputy Robert Troy): That concludes the consideration of the Supplementary Estimate for Public Services for the year ended 31 December 2019 for Vote 31 - Department of Transport, Tourism and Sport.

### Message to Dáil.

Acting Chairman (Deputy Robert Troy): In accordance with Standing Order 90, the following message will be sent to the Dáil:

The Select Committee on Transport, Tourism and Sport has completed its consideration of the following Supplementary Estimate for public services for the year ending 31 December 2018: Vote 31 - Department of Transport, Tourism and Sport.

The select committee adjourned at 11.05 a.m. sine die.