

DÁIL ÉIREANN

A

SELECT SUB-COMMITTEE ON TRANSPORT, TOURISM AND SPORT

Déardaoin, 23 Eanáir 2014

Thursday, 23 January 2014

The Select Sub-Committee met at 2.45 p.m.

MEMBERS PRESENT:

Deputy Paudie Coffey,	Deputy Helen McEntee,
Deputy Timmy Dooley,	Deputy Patrick O'Donovan,
Deputy Dessie Ellis,	Deputy Leo Varakdar (<i>Minister for Transport, Tourism and Sport</i>).
Deputy Seán Kenny,	

DEPUTY JOHN O'MAHONY IN THE CHAIR.

Estimates for Public Services 2014

Vote 31 - Department of Transport, Tourism and Sport (Revised)

Chairman: Item No. 1 on the agenda is consideration of the Revised Estimate for the Department of Transport, Tourism and Sport for 2014 - Vote 31 - which the Dáil ordered be referred to this committee for consideration. I welcome the Minister for Transport, Tourism and Sport, Deputy Leo Varadkar, and his officials, Mr. Caoimhín Ó Ciaruáin, Ms Doreen Keaney, Mr. Dominic Mullaney, Mr. Chris Reynolds, Irish Coast Guard, and Ms Kathleen Morrissey. The purpose of the meeting is to consider the Revised Estimate and the supplementary performance information on the outputs and impacts of programme expenditure. A draft timetable for the meeting has been circulated. Is it agreed to? Agreed. Briefing material giving details of the Revised Estimate was circulated. I now ask the Minister to make his opening statement.

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I thank the members of the select sub-committee for allowing me this opportunity to present the 2014 Revised Estimate for the Department of Transport, Tourism and Sport for their consideration.

This will be a very important year for all five divisions in my Department - tourism, sport, land transport, maritime transport and aviation. I have published a list of 24 priorities which touch on almost all aspects of my Department, including an ambitious legislative programme. An overarching goal will be to continue contributing to the Government's overall efforts to reduce the deficit, generate economic growth and increase employment. All five divisions will play their role in underpinning the recovery and driving further sustainable economic growth. The Government's medium-term economic strategy 2020, published in December, underlines the importance of the tourism and transport sectors to Ireland's recovery. Competitive and efficient transport is vital both for domestic and export sectors and a well functioning world class transport infrastructure remains a key factor in attracting foreign direct investment. Investment in transport infrastructure which this year will exceed €1 billion between roads and public transport is also a very direct economic stimulus that can generate direct and indirect employment.

The Government's medium-term economic strategy also recognises the progress made in the tourism sector. As the sector moves from recovery to a period of new growth, I am undertaking a major review of existing policy which is now more than a decade old. The review will be completed by the first quarter of 2014 and I plan to have in place a new strategy and action plan by the end of the year. This year the Government is targeting a further 4% increase in visitor numbers and an 8% increase in revenue.

In public transport I will be targeting an increase of 5 million in the number of passenger journeys, an increase of 2%. There also will be a renewed focus on safety on the roads and at sea. In addition, testing of new roadside drug testing equipment will begin later in the year.

On sport, the Department will commence work on Ireland's bid to host the Rugby World Cup. Work also will start on the national indoor arena at the National Sports Campus in Dublin and the Department will publish a new master plan for sport. There will also be a new round of local and regional sports capital grants. Both that round and the master plan will be led by the

Minister of State, Deputy Michael Ring.

On aviation, the Department is undertaking a significant policy review and will finalise the merger of Shannon Airport and Shannon Development, I hope before the summer. The budget allocations before members will be critical to the achievement of these priorities.

As the sub-committee will have seen, the gross expenditure provision for my Department in 2014 is €1.67 billion, of which just under €1 billion, that is, €982 million, is for capital projects and €687 million for current spending. This represents a 2% decrease on the 2013 budget allocation. Most of the reduction relates to the continued application of the cuts foreseen in the comprehensive expenditure review and is in line with the Government's commitment to fiscal consolidation. Despite reduced funding, I am confident that we can deliver a very ambitious programme this year.

The Department's Vote is divided among five main expenditure programmes. A total of 79% of the Vote, or €1.315 billion in 2014, is allocated to the land transport programme. This includes road maintenance, repair and improvement - €751 million - at national, regional and local level; the public transport investment programme in respect of buses and trains - €283 million - and public service provision payments, that is, the public service obligation, PSO, payments - €221 million. Overall, the allocation for the land transport programme has been reduced by 3% from the 2013 figure. It is the largest programme and has taken the largest hit in 2014, with a current expenditure adjustment of more than €68 million. That said, I have managed to secure additional stimulus funding of €50 million again this year for local and regional roads. This should soften the impact of the cut in a critical part of the road network.

Apart from the roads programme at national, local and regional level, the programme covers a diverse range of projects, programmes and agencies. For example, it will provide for the commencement of works on the Luas cross-city project, a review of the national cycle policy framework, funding for the Road Safety Authority and the development of the online facility for road haulage operator licence applications. I will be happy to go into more detail on all aspects of the programme, as members wish.

The sub-committee will be keenly aware of the impact of the recent severe weather on transport infrastructure and, in particular, local and regional roads. My Department is engaged in a Government-wide process in this regard. The Minister for the Environment, Community and Local Government, Deputy Phil Hogan, recently presented the Government with an interim report on the severe weather, with a preliminary estimate of €20 million to repair damaged roads. The Government agreed to return to the question of funding to repair storm damage when the Department of the Environment, Community and Local Government's final assessment of costs was available.

The tourism services programme accounts for 8% or €137 million of the budget allocation and provides for the programmes and administrative spend of the two tourism agencies, namely, Fáilte Ireland - €60 million - and Tourism Ireland - €15 million. It also includes a €35 million contribution to the tourism marketing fund and €24 million for the tourism product development scheme which, essentially, is the capital budget and has been enhanced significantly this year through the Government's stimulus programme and the additional money allocated specifically for the Wild Atlantic Way project.

The sports and recreation services programme accounts for 6% or €95 million of the budget allocation. This programme's allocation has increased by 28% from that of 2013, mainly as

a result of the additional funding of €11.5 million voted under the Government stimulus programme for the sports capital programme and the allocation of €13 million towards the development of the indoor arena at the National Sports Campus. Both the Irish Sports Council and the National Sports Campus receive funding through the grant-in-aid subhead of €60 million which supports their respective programmes and administrative costs.

The maritime transport and safety programme stands at €94 million in 2014 or 6% of the Vote. While this is a reduction of 7% from the allocation for 2013, the programme will be supplemented by an allocation of €4.8 million of unspent capital funding carried over from last year. The main sub-programme covers the Irish Coast Guard. I have maintained the budget in line with its requirements to ensure it can continue to provide an effective maritime emergency service, including the 24-7 helicopter search and rescue. Earlier this month I was pleased to welcome officially the Irish Coast Guard's new state-of-the-art S92 search and rescue helicopter for the Dublin region. This is the fourth Sikorsky S92 helicopter base to come into operation for the Irish Coast Guard and means that all four Irish Coast Guard bases now have upgraded helicopters.

The gross expenditure provision for the aviation programme is €27.7 million or 2% of the Vote. The largest beneficiary of the funding is the regional airports programme - €12 million - followed by funding earmarked to cover costs associated with Ireland's membership of Euro-control, costs incurred by the Irish Aviation Authority for exempt services and subscriptions to international organisations. Aviation has always been recognised as a key element in our economic recovery. In that context, I intend to publish the new aviation policy this year. A draft policy statement will be published shortly to give stakeholders a further opportunity to have an input. A final policy will then be published towards mid-year. In addition, I aim to publish and enact the State Airports (Shannon) Bill which will establish, among other things, Shannon Group plc on a statutory footing. I expect the Bill to be published next month. Both policy initiatives will be critical to ensuring the aviation sector is fit for purpose to meet the demands and challenges of economic recovery.

I commend the Estimate to the sub-committee and I am happy to take questions from members.

Chairman: I thank the Minister. The sub-committee will proceed to consider the Estimate programme by programme, with each programme to be considered under the headings of its context and impact indicators, key outputs, financial and human resource inputs and the allocation and targets for 2015. Administration costs will be considered under these headings when each of the programme areas has been disposed of.

I am sure there will be plenty of questions, as the Minister's opening statement covered a great deal. Before handing over to members, I will confine myself to two questions.

On the storm damage to which the Minister referred, I come from a part of the country that was heavily affected. This issue cuts across a number of Departments, including the Departments of Transport, Tourism and Sport, the Environment, Community and Local Government and Agriculture, Food and the Marine. They all are connected in another way in that I met a group of farmers whose access to their farms was affected because of the damage done to local improvement scheme roads to their farms which were washed away. Will local authorities have flexibility, in respect of the funding the Department allocates to them, to attend to these issues to provide access for the farmers affected to allow them to continue to earn their livelihoods? That is the best way I can put it.

Second, the Minister mentioned the Rugby World Cup and its importance to the country. I invite him to outline the current position in this regard. While I acknowledge we are still in the early stages, it will entail a lot of forward planning.

After the Minister responds to these two questions, I will hand over to members straight-away.

Deputy Leo Varadkar: There has been quite a lot of storm damage and the Government does not yet know its extent. The Department of the Environment, Community and Local Government is heading up the operation and will check to make sure the figures are accurate. The most badly affected roads were in County Clare, in which approximately €7.2 million worth of damage was done. It was followed by counties Waterford, Galway, Mayo, Kerry and Cork, in which damage to a figure of €3.8 million, €2.5 million, €2 million, €1.7 million and €2.5 million, respectively, was done. These are the current estimates. In addition, a lot of damage has been done to Irish Rail infrastructure. I refer, for example, to the roof of Kent Station in Cork. There are some issues in Waterford, where there was a landslide, as well as in Pearse Station, Dublin, where the roof was damaged again and needs to be replaced fully. There was some minor damage to the Irish Coast Guard coastal unit stations, as well as some damage to lighthouses and at Shannon Airport. However, as a commercial entity, that will have to be paid from the airport's own funds. The Department of the Environment, Community and Local Government is putting all the information together and it is anticipated that it will then make a report to the Cabinet, after which the Government will either reallocate existing funds or make additional funds available which will then go to the local authorities in question to be divvied up.

On the local improvement scheme, LIS, I have decided to allow local authorities to use up to 15% of their discretionary grant for an LIS programme if they so wish. Both the discretionary grant and the percentage are up on last year. When LIS was a dedicated budget of its own, it was €5 million a year. This will be up to approximately €7 million.

It is really up to every local authority to decide whether or not it wants to do this. Most local authorities do not. They prefer to put the funding into public roads and say that laneways are a matter for the landowners. In other parts of the country, they take a different view and say that some of these laneways are *de facto* public roads, maybe they are not taken in charge but they are used by many. This will allow local authorities to make that decision for themselves and that will be welcomed.

On the Rugby World Cup, the Minister of State, Deputy Ring, and I met our counterparts in Armagh yesterday. We have set up a committee, involving the tourism agencies, North and South, Tourism Ireland, the three Departments and the IRFU, which will map out what will be required to make the bid. That report will go to the North-South Ministerial Council in the summer with a view to confirming what the bid will be. The committee will figure out the structure - whether it will be some sort of company that will make the bid, who will run and own the company, and what will be the divvy-up between North and South when it comes to the capital investment needed and funding any liability if there is one at the end of it. That is essentially what they will figure out. As far as I am concerned, it is full steam ahead.

Chairman: On Programme A, I call Deputy Dooley.

Deputy Timmy Dooley: I thank the Minister for the clarification on the roads. It saves me a question.

I note he spoke of making a payment to the aviation authority for exempt services. I thought the aviation authority was a significant profit generator. Am I to assume that it already makes a dividend to the State but it does not show in the Department's accounts? He might clarify whether it goes directly to the Exchequer.

Towards the end, the Minister talks about miscellaneous aviation services. Proposals are about to go out for aviation related consultancies. How much is set aside for that consultancy, at subhead A4.6, miscellaneous aviation services? He set out the purpose but not the funding for that consultancy.

Deputy Leo Varadkar: The IIA is a commercial semi-State body which makes a profit and pays a dividend. As the Deputy stated, the dividend goes straight to the Exchequer, not into the Department's accounts. Even though it is a commercial semi-State, it also has a regulatory role. It is a hybrid in the sense that it does some work on behalf of the Department, particularly in the area of safety.

Deputy Timmy Dooley: While I have the Minister on that, has he any proposals as part of his strategic review of aviation services to split that regulatory and commercial role? As he will be aware, that has happened in other jurisdictions. I wonder what his view might be on that.

Deputy Leo Varadkar: That is under consideration as part of the policy. We more or less follow the American model of the FAA where safety, security and regulation is in with air-traffic control. Some take the view that we should split it, make air-traffic control entirely commercial and put safety and security in with the aviation regulation. I have been of both minds on that on a few occasions and I am not sure what decision will be made in the end.

We also must have regard to European law and it seems that European law may require us to do something like that, perhaps, not entirely but to an extent. I have not yet decided on that. Anything requiring European law would not arise until 2020 anyway. I suppose, if I was to talk about the IAA in shorthand, I would say that it does a good job and I would be in the "if it ain't broke don't fix it" space unless European law or other regulations require us to.

On the consultancy,-----

Deputy Timmy Dooley: If the Minister does not have it to hand, he can come back to us on it.

Deputy Leo Varadkar: -----is that the €170,000?

Deputy Timmy Dooley: Yes.

Deputy Leo Varadkar: That relates to a refund to the IAA for an advanced payment it made in respect of an aviation audit where the expenditure there was less than anticipated overall. The provision that my Department has made for consultancy next year is €599,000. It would be a significantly lower level than we have seen in other entities in other places.

Deputy Dessie Ellis: I only wanted to ask about the impact of the regional airports subsidy, which is down by €1 million. Shannon and Knock airports seem to have increased passenger numbers but, as far as I know, in many of the regional airports the numbers have gone down or are static. Has the Minister some way of gauging that and if there is a problem, can we look again at the subsidy at some stage? This figure is in the Estimates, but surely our priority must be to have connectivity across the country.

Deputy Leo Varadkar: On the regional airports, for clarity, Shannon is no longer eligible for subsidies.

The regional airport budget is in three parts. There is the PSO, which is the subsidised flights to Kerry and Donegal. Those are up for review this year as to whether they remain necessary.

There is also operational expenditure, OPEX, which covers the losses where a regional airport makes losses. The losses in Knock were small this year because it had a good year and its passenger numbers increased.

Deputy Dessie Ellis: They have increased.

Deputy Leo Varadkar: Donegal did not require it either.

Deputy Dessie Ellis: Okay.

Deputy Leo Varadkar: Mainly, Waterford is the airport that gets the most subsidies under OPEX because it is the one that is losing the most money. There are only two or three flights a week from it at this stage.

There is also provision for capital grants for security and safety improvements only.

The question of regional airports is always a tricky one. Of course, the budget can always be reviewed, but the question is always whether the funding could be better spent. If one looks at the cost, for example, of subsidising a flight from one part of the country to another, imagine what that could do on public transport. That is always the kind of decision one has to make. The cost of the PSO to Donegal or Kerry is probably more than the entire subvention for all the bus services in the Waterford area and it gives one an idea of the kind of decisions that have to be made.

Chairman: On the regional airports, the Minister explained the aspect that regional airports with fewer passenger numbers get a larger subsidy. It is an interesting concept, that where the numbers are increased they get less. It is merely an observation.

We will move on to Programme B.

Deputy Timmy Dooley: The Chairman already addressed the concerns about the necessity for funding of which the Minister is well aware as a result of the recent storms. In terms of general maintenance of the road network, the considerable reduction in funding to this area is leading to a pent-up problem that will surface in the near future because the NRA and local authorities are not in a position to maintain roads the way they would. While I am not an engineer, the view of those to whom I have spoken is that it will cost a great deal more to bring the roads back to the level at which they were if this continuous reduction in maintenance funds is sustained. As the Minister will be aware, there was a rolling programme that saw roads maintained on a seven-year cycle and now it is being extended. The previous Government did it too. It will demand a much heavier level of investment in the not-too-distant future, particularly if the Minister is to ensure that the roads remain safe and viable. Has he any thoughts about that? If so, he might share them with us.

Deputy Leo Varadkar: Responsibility for maintaining national roads and motorways lies entirely with the Department of Transport, Tourism and Sport. With regard to local and regional roads, all our grants do is supplement the local authorities' own resources. It is worth bearing in mind that they get almost two thirds of the motor tax revenue paid to them through

the local government fund. They have commercial rates and property tax revenue also. It is not solely my Department's responsibility, therefore. The amount of maintenance on and repair and strengthening of our roads is not enough. It will be fine this year. There is a decent budget this year because we have called off many projects we would like to have carried out, including some of the bad bend amelioration and road-widening projects. We have enough to ensure the roads are being maintained, but they should really be strengthened and restored more than at present. With regard to both roads and railways, we are storing up problems for the future but I can work only within the budget I have.

Deputy Dessie Ellis: In many ways, this is one of the disappointing areas. I acknowledge that the Minister must balance his budget but the lack of capital projects such as the metro north project must be borne in mind. I know the Minister's response in this regard.

Expenditure on local and regional roads this year is to be €330 million. A considerable amount is required. As the Minister said, there will probably be an additional cost associated with storm damage. There are areas with massive potholes. Meath is one area that always comes to mind because those affected keep contacting representatives about it. We are obviously not meeting our targets with road expenditure. I do not know whether the Minister could ever dig up more money and tackle some of these issues, particularly potholes.

The roads budget has been cut by almost €3 million. I wish to tease this out. The Minister referred to agencies and expenses. Could he explain this a little more? At the start of this year, there has already been a significant increase. Some noises seem to be coming from the Road Safety Authority in regard to resources being made available. The PSO reduction is 7%. In this regard, I refer to the overall figure of €221 million. The Minister stated he will decrease the subvention next year and he hopes he might not have to do so thereafter. However, if we keep decreasing the subvention, we will run into major problems with Dublin Bus and Bus Éireann.

The Minister said he will increase passenger numbers by 2%. Could he explain how this will be achieved? I have always said the Nitelink service should be expanded because it is very limited on certain days. Expanding it would certainly increase numbers and, if the service were run in a proper way, provide revenue. Dublin Bus should be considering this.

I welcome the roadside drug testing. The equipment is badly needed. If we get the system up and running, it will certainly improve road safety. Perhaps the Minister will indicate when it will be up and running.

Deputy Helen McEntee: I agree with Deputy Ellis on roadside drug testing. It is a great initiative and it is brilliant that it is to be introduced. When does the Minister envisage its being introduced? When will the officers who will be carrying out the testing be trained in, and how will this happen?

Funding for roads has obviously decreased because the Minister is trying to work within a budget. He has done the best he can. I hope the additional stimulus funding of €50 million will be put to good use and invested in local and regional roads.

Could the Minister expand a little on the capital projects, the sum from which amounts to almost €1 billion? What are the bigger projects that will benefit? Will expenditure flow into 2015? Will all the funding be spent this year?

Deputy Leo Varadkar: I will answer the questions on capital projects together. There are big and little ones. The biggest include the Luas cross-city project. There is to be an increase in

public transport investment this year to take account of it. Other projects include updating the Dublin Bus fleet. Approximately 65 new buses are being bought every year, and they are pretty expensive. With regard to roads, some of the moneys are close-out payments on roads that are actually completed, such as those in Belturbet and even Tralee. The project in Ballaghaderreen is under way.

Some of the money is to get projects to the next stage. Such projects include those in Enniscorthy and New Ross, in addition to the Gort-Tuam project. Land purchase is also a factor, including along the Macroom-Ballyvourney corridor. There are many projects covered by the budget, including new bus lanes. Interestingly, the budget will also cover the extension of the city bikes scheme. The bicycles are already in Dublin. Availability is to be extended from Heuston to The O2, and bikes will also be available in Cork, Limerick and Galway. There are to be advancements concerning the Leap card. There is a lot covered by capital budgets. Free Wi-Fi will be available on the entire Dublin Bus fleet by the end of March.

We will start the work on the capital programme now. There is no Government position on this yet but I believe it is about time we started having a new national development programme, perhaps for the period 2015-16. The national development programme was effectively scrapped because of the economic crisis. I would now like us to start working on this and put a new programme in place for the period 2015-16 outlining what capital investment will occur during the period in question. It would be timely.

As Deputy Ellis stated, the PSO reductions have been very severe in recent years. This is one reason, but not the only one, we have had to bring about savings in the public's transport companies. The other reason is that the cost base is much higher than it should be and much higher than European norms. It is often amusing to hear people giving out that our PSO is lower than European norms, yet those who do so have no problem with our cost base and salaries being much higher than European norms. We are trying to bring everything closer to European norms. I do not see much room for any further reduction regarding the PSO. I would like to have in place a clear five-year contract for the public transport companies. Thus, instead of their being cut every year when the Government needs to save money, they would have certainty about their funding for five years. They could run their services much better if they knew what their budget would be for five years. This would contrast with circumstances in which the Government would ask them every year for a cut or, as in the good days, they would ask the Government for extra money just to do the same thing. It is in this area that I am trying to make a change happen this year.

It will not be easy to increase passenger numbers by 2%. I hope part of the increase will be achieved because of the recovering economy, more people going to work, and more people with money to spend going out and about. There will be some new services. Dublin Bus is planning a few, as is Irish Rail. I will let the companies tell the members about them when they are ready.

Another objective is to ensure a much better customer experience. This is enhanced by services such as real-time information, the Leap Card and Wi-Fi, all of which make public transport a better experience. A certain amount of advertising will have to be done. This is important. Many people have not used public transport in a long time and their memory of it is based on when they were going to college, at which time one had to wait ages for a bus. Services are much better now. Particularly with real-time information, one can just check one's iPhone to tell when a bus is coming. The service is much better than it used to be and routes are much shorter. It is a question of telling people about this.

There will be many promotions. Members will probably have noted recently that Irish Rail kicked off its promotion of off-peak fares priced at €9.99. If trains are half empty in any case, the plan is to think like the airlines and sell the seats cheaply. At least people would be using the trains, and trains would not be carrying air around the country, which is what happens much of the time.

There are two elements to the drug-testing initiative. It is hoped that in the next few months, once the legislation is passed, gardaí will be able to test motorists at the roadside. The test may involve getting motorists to walk in a straight line or touch their noses, for example. This will not be enough on its own but it will give a basis on which one can be taken off for blood or urine tests for drugs. Towards the end of the year the Medical Bureau of Road Safety will tender for a roadside device which can be used to test for drugs. We need to ensure it is robust. There is no point in spending a load of money on something like this only to find it does not work or cannot stand up in court. We would rather get it right than do it quickly. We are looking at what other countries have done. Other countries have had problems so we will proceed cautiously.

Deputy McEntee mentioned Meath. We are doing some catch up in Meath and other counties. Mr. Mullaney was involved in updating the length of mileage taken in charge in each county. Counties such as Meath which had much development in recent years took a lot of roadway in charge. The figures, which will be confirmed to local authorities tomorrow, will allow for an increase in counties where there has been much development and many new roads have been taken in charge. It is either this or some roads which used to be national roads have been redesignated as regional roads and counties need to be compensated for this. One will see significant increases in Louth, Meath and other places. It needs an extra €1.5 million and I hope this makes a difference.

Deputy Helen McEntee: The Minister has been listening to our pleas for many months and I thank him for his help.

Deputy Patrick O'Donovan: An issue which came to my attention and that of the Minister is where An Bord Pleanála refuses to permit major road infrastructural projects to proceed. Local authorities and the National Roads Authority have no power to question why An Bord Pleanála reaches its decision. The Department could very easily fund the NRA to commission new works in Adare without knowing why exactly An Bord Pleanála refused permission in the first instance. The Railway Procurement Agency, RPA, does not have the same problem. As the Minister is embarking on the merger of these two bodies is it timely to examine this? We need to ensure any money spent by the taxpayer has a return on investment. We do not need projects being put through the wringer and then turned down for a reason which remains like the third secret of Fatima and no one can find out what it is. Application after application will be lodged and refused. Will the Minister ask the Minister for the Environment, Community and Local Government to examine this with regard to planning? It is not the case the NRA or local authorities should be able to influence the decisions of An Bord Pleanála but they should be able to question why it arrived at a particular decision so at least they will not make the same mistakes when making a subsequent application.

Deputy Dessie Ellis: With regard to capital projects are public private partnerships, PPPs, being taken up? Some outstanding capital projects have reduced in price considerably and probably need to be re-examined. If there was a link to the airport, passenger numbers would increase massively over time. I welcome what the Minister stated about Irish Rail prices and special offers. Rail prices in this country are way over the top and I do not understand them. It is a big hindrance to increasing passenger numbers on rail services. Various groups have come

before the committee and one is reluctant to tell them the prices are way over the top because one is afraid services will be cut. The issue needs to be raised.

Deputy Leo Varadkar: With regard to Deputy O'Donovan's comments, the An Bord Pleanála process on roads has been extremely frustrating for me, the Department and the NRA. We have had three significant refusals in recent years in Slane, Adare and Dingle. Not only do I think it made the wrong decision it is very frustrating that so much money was expended and so much time used only for us to end up with nothing. Something similar happened with the children's hospital on the Mater site. One can have one's views on the site but much time, effort and money were taken up, delays were caused and then An Bord Pleanála turned around and refused it. This is the law and the power they have at present. It used to be the case a Minister could override the planning authorities. I am not sure I would reintroduce it as it could be very dangerous and certainly it was misused in the past, but there is an argument that a resolution of the Dáil could be used on an issue of national importance. It is a bigger question for the Government. To answer the Deputy's question we need a better process. At the very least the NRA should be able to engage in pre-planning and post-planning discussions with An Bord Pleanála just like the RPA and CIE can. We discussed this previously when discussing Adare. I propose to examine it in the context of the Bill to merge the NRA and RPA to see if we can include provision allowing for such discussions. It is not in the Bill as published but we are examining it. We will have to discuss it with the Minister for the Environment, Community and Local Government.

Deputy Ellis mentioned rail prices. I am not sure how often he goes to Britain but if he really wants to see where trains are expensive he should go there.

Deputy Dessie Ellis: They are way out of proportion.

Deputy Leo Varadkar: We will have to change things on the railway. It will have to be more like airlines so when people book in advance they get a cheaper fare. There is a sense in Ireland that one should just be able to rock up to the station at the last minute and get a decent train fare. One cannot run a modern service like this. We are moving towards cheaper intercity fares if people book in advance and much higher fares when people rock up at the last minute and think they are entitled to hop on a train which is probably full already. It will be a culture shift for people and it will not be popular but it is definitely the right way to go in my view.

With regard to PPPs if we are to draw up a new national transport plan we will have to re-examine all of the PPPs and re-cost them and see what we can go for and what we cannot. We will also have to re-examine the business cases. We must bear in mind when projects such as the metro north and metro west were drawn up the business cases were based on the idea the economy would grow forever. I know this project well because I was on Fingal County Council and my Dáil constituency includes part of Swords. There were supposed to be 80,000 people in Swords today based on metro north's original business plan. Perhaps a metro solution is not the right one and light rail would be better.

Chairman: With regard to PPPs, the last time we checked on the Gort to Tuam motorway the timescale given was early 2014. What is the update?

Deputy Leo Varadkar: It is still early 2014.

Chairman: We are coming to the end of January and I was getting worried. It is still on schedule.

Deputy Leo Varadkar: It is, but it is a PPP and involves various parties, contractors, builders, finance houses, Government agencies and banks. They all have different credit committees, legal departments and boards and there is always someone with a problem. We will get there.

Chairman: We will move onto Programme C.

Deputy Timmy Dooley: I compliment the Department and the Coast Guard on the roll-out of the new fleet of helicopters. In recent times the extended capability on the west coast has been well utilised. I had an opportunity to interact with the local base in my constituency and it is a very well-run project. Discussions were held about utilising some spare capacity on the Coast Guard's contract. It was suggested that it could be used to do some ambulance-type work in association with the Health Service Executive, HSE. A suggestion was made several years ago that while training the pilots and the advanced paramedics, they could be doing something of purpose to the State at no additional cost to the State. Have discussions progressed in this area?

Deputy Dessie Ellis: I note the maritime budget is down by 7% but there was a carryover of €4.8 million to bring it back up. While this is welcome, it is a pity that the €4.8 million was not utilised last year to address other shortfall areas such as repairing potholes and so forth. It is important the extra helicopter has been assigned to the service. How are the savings achieved in this area? Are there cutbacks in the number of flights? Has there been a restriction on services for islands? One often hears people from island communities saying they feel they do not get the same service as that on the mainland. Will the Minister elaborate on that?

Deputy Helen McEntee: I am delighted the service has received the funding. It works extremely well with the Coast Guard and deserves every penny it gets.

Deputy Leo Varadkar: The €4.8 million was carried forward because paying for the helicopters is done through a milestone system which we had not yet reached. As work could not be done on Arklow Harbour, these surplus moneys were then carried forward. What used to happen in the past was that if Departments had moneys left over at the end of the year, they would often spend it in a hurry and badly.

Deputy Dessie Ellis: We know the Minister would not spend money badly.

Deputy Leo Varadkar: That is not always my call. The Comptroller and Auditor General was critical of this practice and the Minister for Public Expenditure and Reform changed it. Now, there is much more flexibility allowing Departments to carry moneys forward, so they are less afraid that they will lose funds if they do not spend them.

There have been no cutbacks in helicopter services. In fact, they did a record number of missions this year. The new helicopters can go further, faster, operate in icy conditions and tend to be more comfortable. They are doing work with the HSE. Mr. Chris Reynolds, director of the Coast Guard, can give more detail on this.

Mr. Chris Reynolds: We increased our work with the HSE last year by 800%. It is mainly a type of work dealing with what is known as a semi-heart attack. They often say the best medicine for this type of heart attack is aviation fuel. One has to get to a hospital within a certain short period. Life expectancy and quality of life are better increased, accordingly. We have engaged with the HSE on this particular role. The Department of Health is examining the holistic area of air medical services including the Air Corps, air services and the Coast Guard and will produce a report for the Cabinet sometime this year.

Chairman: There was an issue last year of hoax calls to the Coast Guard. Has this been arrested?

Deputy Leo Varadkar: It still happens.

Mr. Chris Reynolds: The issue arose in 2010 because a decision was made then that when one called 999, one was offered the Coast Guard as well. That saw a spike in hoax calls. I am afraid that it has been constant ever since.

Chairman: This leads to an incredible misuse of resources. Is the trend still upwards?

Mr. Chris Reynolds: Yes, the trend is still upwards. There is a difference between a false alert and a hoax. Our operators are smart enough to recognise most hoax calls. Occasionally, we get a clever one, forcing us to launch a helicopter or lifeboat needlessly.

Chairman: We now turn to subhead D, sports and recreation services.

Deputy Timmy Dooley: The capital spend for the National Sports Campus and the Sports Council is increasing this year from €7 million to €15 million. What does this entail?

I welcome the fact we have a sports capital programme in place. What is the value of this for this year? It states it is partly funded by the national lottery. I always believed it was all funded by the lottery. Will the Minister give more detail on this?

Deputy Dessie Ellis: Is there a provision made for Ireland's bid for the Rugby World Cup? I welcome the allocation for the sports capital grants. While they are not what they used to be, they are still a significant asset to clubs and helped improve sport.

Deputy Helen McEntee: In addition to the €11.5 million, what is the total spend for the sports capital programme this year? Is funding that was not drawn down last year included in this Estimate or will the Department wait to disperse it next January?

Deputy Paudie Coffey: I welcome the fact that the sports capital programme is running for a second year. It is a valuable stimulus for local communities across the country.

Deputy Timmy Dooley: It is not unhelpful to local politicians either.

Deputy Leo Varadkar: The capital spend is up by €15 million. It is worth bearing in mind that, while the increase in the sports budget this year is great, it is a fraction of what was spent in the good days when money was going to the development of Croke Park and Aviva, good investments at the time by the then Government. The sports capital budget is €23 million a year which is split between the sports campus, national facilities and projects for clubs and sporting bodies.

The national lottery funding is a misnomer in my view. What really happens is that the national lottery pays money to the Exchequer each year which is treated more as less as another income stream. It might as well be the property tax or something else. The legislation ring-fences moneys from the national lottery for arts, culture and sport or any other purpose as the Government may decide.

Deputy Timmy Dooley: I do not think we can lay that entirely at the Minister's door.

Deputy Leo Varadkar: I think it is about €200 million per year. It would be much nicer if it was in legislation that it had to be split equally between sports and culture but that is the way

it is at the moment. I should point that even though the sports capital budget is up, there is a small reduction in the Irish Sports Council budget, which is the current side. However, it is not a huge reduction. It is only about 2% or 3%. Some of those savings will be delivered because of the Haddington Road savings. There is no reason some of the sporting bodies should not follow on from that and implement the Haddington Road savings in their organisations. What we have tried to do with the support for the Irish Sports Council is protect certain programmes, women in sport and smaller national governing bodies, NGBs, that do not have access to commercial income or sponsorship. Quite graciously, they accepted it. The larger cut is for the GAA, FAI and the IRFU on the basis that they have ticket sales and access to sponsorship. The cuts to the smaller NGBs that do not have that have really been nominal, which is probably the right decision to take.

There is no budget lined up for the Rugby World Cup but there may have to be down the line. There is no cut yet. Any small amount of money we need at this stage is being used from the Fáilte Ireland budget because it is covered by tourism at this stage rather than sport. For the first time in a number of years, there was no overspend last year so sport spent all the money allocated to it last year. It is a bit strange with the clubs. They get a grant and a couple of years to draw it down. We must guess every year how much they are going to look for because they must show they have the works done, put the logo up and all the rest of it before we pay out. If they were all to look for the money tomorrow, it would be about €70 million, which we do not have. Thankfully, that does not happen so the Department must make an educated guess every year as to how much they are going to ask for. Sometimes, it under runs. It has not over run since I have been around but one day it will happen and I am sure we will find the money somewhere.

Chairman: We will move on to programme E, which is tourism services.

Deputy Leo Varadkar: There is €23 million for sports capital and €15.9 million for the sports campus so it is €38.9 million altogether.

Deputy Timmy Dooley: While there is no doubt that the trend is back in the right direction in terms of recovery in the tourism market, some of the markets are not recovering to the extent that we would like them to. The Gathering was helpful in stimulating the tourism sector and attracting new people, particularly audiences that had started to travel again. How does the Minister hope to continue that momentum this year without any additional funding or The Gathering programme?

Chairman: Does Deputy Ellis wish to speak?

Deputy Dessie Ellis: The only question I have relates to the fact that there has been considerable damage to many of our tourist facilities. Do we take any money from this budget to address that in any way? If there are only small amounts, are they accessible through this?

Deputy Paudie Coffey: I commend the Minister and his Department for The Gathering which proved hugely successful in generating additional tourism revenue and footfall into the country last year. Deputy Dooley asks quite rightly how we can continue that momentum. My area of concern is how we continue to grow our UK numbers. Our neighbours in the UK have traditionally been very strong visitors to this country. If any initiatives are occurring in the UK, I would certainly welcome it. The Minister might be able to expand on that.

In respect of capital provision, there are many good initiatives that are starting to develop

around the country. In my own neck of the woods in Waterford, both local authorities, which will be amalgamated into one local authority in a few months' time, are developing what they call the greenway. Is there any capital provision in these Estimates to support such projects? This particular project will link rural county Waterford around Mount Congreve gardens, which are of international significance, to the Viking triangle, into which many public funds have gone and which is proving very successful in increasing tourist numbers. Another project is the Waterford & Suir Valley Heritage Railway, which is a community-based initiative that is proving to be successful and again links to Mount Congreve gardens. It is initiatives like these that will continue the momentum and create attractions to persuade people to visit Ireland.

I apologise for coming late to the meeting. The next issue is tourism-related but is also road-related. The M9 is probably one of the only motorways in the country that does not have a service station. I know that it was proposed that a public-private partnership would deliver a service station. The drive from Dublin to Waterford is almost 100 km with no safe stop *en route*. Are there any plans to provide a service station on that motorway? It is a tourism issue as much as it is a road safety issue.

Deputy Leo Varadkar: There is no Gathering this year. The main focus this year will be on the Wild Atlantic Way. Advertisements are now airing in Germany and a few other places and seem to be getting a good reception. The Giro d'Italia Grande Partenza will take place here this May and the American football tournament is back so there is a lot happening this year.

Deputy Dessie Ellis: Are there any events relating to the Battle of Clontarf?

Deputy Leo Varadkar: An application for funding has been received but it has not been adjudicated on yet.

Deputy Dessie Ellis: It is the only battle we ever won.

Deputy Leo Varadkar: An application has been received and is being considered by Fáilte Ireland. Many of the festivals and events that took place last year will take place this year. One of the real successes of The Gathering was the fact that quite a number of local authorities around the country, including Clare, really embraced it. We would not like to lose that so we are trying to put something together that would allow us to continue to fund small local events and festivals that worked for The Gathering. We do not know yet. The big worry about The Gathering was always that we might have a dip the following year because it brought events forward. There is some evidence of that on the conference side but so far, it is looking okay for this year. The tour operators and hoteliers all say it is looking very positive and the airlines just keep adding capacity. I am getting a bit worried that some of the flights will not work because there are so many additional ones. There are nearly 80% more seats from Canada this year than there were last year and there are about 10% more from the US. In the past week, both Emirates and Etihad pretty much doubled their capacity. We have moved from the stage where we were trying to get the airlines to put on more routes to the stage where we are trying to make sure the ones they have put on actually work.

In respect of damage to tourist facilities, there was some damage along the Wild Atlantic Way. A distinction is made between publicly and privately owned facilities but we may be able to help repair the publicly owned ones. Some will be insured. Most of the privately owned ones and even some of the publicly owned ones would be insured.

Deputy Timmy Dooley: My understanding is that it is possible to include uninsurable

risk in private property in the application to that European fund so there may be some potential there. I do not know if the Department has had an opportunity to have a look at that.

Deputy Dessie Ellis: Does that have to be over a certain level?

Deputy Timmy Dooley: It does to get into the fund but it might be worth taking a look at.

Deputy Leo Varadkar: That is being handled by the Department of the Environment, Community and Local Government. It is worth knowing that anyway.

Great Britain is still and always will be our largest inbound market. It is not necessarily the largest in terms of revenue because American and European visitors stay longer and spend more as British visitors often just take short breaks but it is the largest in terms of numbers. The numbers are starting to recover quite strongly in quarters three and four, which is very encouraging. GB Path to Growth, which is a report produced last year, is the template we are using to market Ireland in Great Britain, particularly to two segments of the population. They are the older, culturally curious people and younger social energisers, as they are called. They are wonderful marketing buzz words if you are into that sort of thing. That change in marketing focus has helped. The fact that the British economy is recovering has really helped. Unemployment is down to approximately 7%, recovery is taking hold, they have more money and sterling is going a bit further. That is probably the main reason for the recovery from Britain. This year the additional Ryanair flights will help. I am very confident about Britain.

The greenways have been funded from the tourism budget in the past. The Great Western Greenway in Mayo was an example. Now they are being funded out of the national cycle network under the Minister of State, Deputy Kelly. He has a number of proposals on his desk, including the one to which the Deputy refers. He has not made a decision yet but he will do so in the next couple of weeks.

There were originally plans to have two services stations on the N9, one at Paulstown and one further up in Kildare. The one in Paulstown seems to be going nowhere but the one in Kildare should go ahead, although I could not give an exact timeframe on it. It is linked to the contract for the N11 and Newlands Cross so it should happen soon.

Deputy Paudie Coffey: I would appreciate if the Minister could write to me with more details on that.

Deputy Leo Varadkar: Yes, the only difficulty is that the NRA can put in the bridges and platforms but a company such as Applegreen will come and operate it only if it is going to wash its own face. There are not as many people using the M9 as there might be.

Deputy Paudie Coffey: Not with the state of the economy in the south east. The Minister might remember that when he is speaking in Cabinet. Everything is related.

Deputy Leo Varadkar: *Touché.*

Chairman: Are we okay with programme E? Yes. We will move on to programme F. Are there any comments on the appropriation accounts? Are there any problems with the receipts? Are there any comments on administration? No. I thank the Minister and his officials for assisting the committee and providing many clarifications in the consideration of the Revised Estimates and programmes. We have now completed our consideration of the Revised Estimates for Vote 31. The clerk to the committee will send a message to that effect to the Clerk

SELECT SUB-COMMITTEE ON TRANSPORT, TOURISM AND SPORT

of the Dáil in accordance with Standing Order 87. Under Standing Order 86(2) the message is deemed to be the report of the committee.

Message to Dáil

Chairman: In accordance with Standing Order 87, the following message will be sent to the Dáil:

The Select Sub-Committee on Transport, Tourism and Sport has completed its consideration of the following Estimate for public services for the year ending 31 December 2014: Vote 31 - Department of Transport, Tourism and Sport (Revised).

The select sub-committee adjourned at 3.55 p.m. *sine die*.