SUBMISSION TO DEPARTMENT OF TRANSPORT, TOURISM AND SPORT

STATEMENT OF STRATEGY 2017 TO 2019
OVERVIEW

A total of 241 million journeys were made across services provided by the CIÉ Group of Companies – Dublin Bus, Bus Éireann and Iarnród Éireann - in 2015.

The Group facilitates by far the largest number of public transport journeys in the State annually, and as such is central to the delivery of current and future national transport strategy, and to supporting wider associated strategic goals. Public transport provision facilitates economic activity and development and can enhance Ireland’s competitiveness as economic growth returns.

This is at the heart of the CIÉ Group Mission, aligned to our statutory mandate, which is “to provide socially necessary bus and rail transport in an integrated manner which contributes to balanced regional development and social cohesion at a reasonable cost.”

Therefore, in the context of the Department’s intention to “set out the High Level Goals, Objectives and Strategies required to ensure that the transport, tourism and sport sectors make the greatest possible contribution to economic recovery, fiscal consolidation, job creation and social development” CIÉ believes that there should be 4 core principles guiding the Department of Transport, Tourism and Sport (DTTaS) in preparing its Statement of Strategy 2017 to 2019:

1. **Strategy and policy is integrated across Government, recognising**
   - the wider benefits effective public transport provision generates, including economic, environmental, safety, health, social inclusion, and business and tourism benefits
   - effective land use and spatial planning should be aligned with transport policy, maximising economic, environmental and other returns from public transport

2. **Ensuring the sustainable Public Service Obligation (PSO) funding of public transport to deliver quality, customer-focused services, which meet increases in demand envisaged in the context of a strengthening economy and projected growth**

3. **Investing in the continued development of public transport infrastructure to support Government policy goals of achieving modal shift to sustainable transport modes, prioritising projects that generate the strongest economic return nationally, regionally and in our cities**

4. **Continued progress on integration of public transport, including services, ticketing and information.**

The Group has published a detailed Group Strategy which supports this submission.

INTEGRATING POLICY

Strategy and policy governing public transport does not exist in isolation from other Government policies. The Department of Transport, Tourism and Sport’s Strategic Framework on Investment in Land Transport (SFILT), finalised and published in August 2015, outlines the wider benefits effective public transport provision generates, including economic, environmental, safety, health, social inclusion, and business and tourism benefits.
Furthermore, these benefits can be multiplied if planning and land use decisions are made which maximise the return from public transport.

This is recognised in existing and emerging policy, including

1. National Spatial Strategy and supporting regional planning policies
2. Smarter Travel national transport policy
3. National low carbon roadmap
4. The Strategic Framework for Investment in Land Transport
5. Department of Social Protection Free Travel Scheme
6. International agreements such as the United Nations COP21 agreement finalised at the Paris 2015 Climate Conference

The “whole of Government” approach to policy therefore should drive all strategy, with particular emphasis given to alignment of transport and land use / planning between the Department of Transport, Tourism and Sport and Department of the Environment.

**SUSTAINABLE FUNDING OF PSO SERVICES**

The CIÉ Group of Companies met the challenges of Ireland’s economic crisis by dramatically reducing costs while maintaining and enhancing the services we provide to customers, effectively meeting current demand while PSO funding reduced dramatically. Collectively:

1. PSO service funding has reduced each year since the onset of the economic crisis, by a total of €130 million (40%), representing the largest proportional reduction for any activity significantly funded by the Exchequer
2. The Group responded by reducing annual operating costs by €135 million, and employee numbers across the Group by over 2,100 (18%) up to 2015.
3. The Group has maintained a strong network of bus and rail services, effectively meeting current demand levels and implementing a range of customer-focused service improvements, including:
   - Network redesign for Dublin Bus and Bus Éireann
   - Opening of three new rail lines on Iarnród Éireann, as well as additional stations
   - Worked with the National Transport Authority to deliver LeapCard to customers in major urban areas
   - Extensive provision of free Wi-Fi across rail and bus fleets
   - Accessibility of bus and rail fleet for mobility and sensory impaired customers
   - Real Time Passenger Information in our cities
   - Enhancement of customer services, with particular focus on online and social media

Growth in passenger numbers returned in 2013, and has continued each year as the economy has strengthened. With economic growth forecast to continue, road congestion worsening, and employment and other economic activity on the rise, it is essential that the CIÉ Group of Companies are sustainably funded to ensure our public transport capacity is sufficient to meet the demand for socially and economically essential public transport services.
The CIÉ Group of Companies will identify opportunities to enhance services to meet developing demand patterns, and liaise with the National Transport Authority on delivering improvements.

INVESTING IN PUBLIC TRANSPORT

Smarter Travel, the national transport policy, targets a reduction in car-based commuting from 65% to 45% by 2020. Similarly, with 30% of Ireland’s total carbon emissions generated by the transport sector, ensuring modal shift to sustainable transport modes is essential if the State is to achieve its European Union emissions targets by 2020, and enhanced targets under COP21 – failure to do so will result in penalties.

Despite these policies, it is acknowledged in the Strategic Framework for Investment in Land Transport that this modal shift has not been achieved to date, with some investment and policy decisions facilitating increased car commuting. The combination of a 30% increase already over boom-era usage levels of sections of the M50, together with returning and forecast economic growth, points to the need for urgent and continued investment in public transport, beyond “steady state” requirements identified in the Framework.

Such investment must be driven by economic return criteria, and supported by land use and spatial planning policy. In particular, given that funding of the rail infrastructure at minimum steady-state levels is essential, the appropriate scale of network and investment priorities for rail require this focused approach.

Urban congestion must be addressed, as identified as a priority in the Strategic Framework for Investment in Land Transport. In the Dublin area, Dublin Bus is by far the primary provider of public transport, accounting for 61% of all public transport trips. Continued investment in bus services, including Bus Rapid Transit should be prioritised. In addition, major modal shift can be achieved through rail investment such as DART Expansion, including DART Underground.

Investment in transport solutions powered by sustainable energy sources, such as electrified rail systems, will also help the country achieve emissions goals. Notwithstanding the limited funds available currently for large-scale projects, alternative funding opportunities should be explored to ensure that we continue to keep pace with demand.

Balancing this, a longer-term vision and direction for public transport outside Dublin is also required. Bus Éireann has and will continue to be central to providing economic access and social inclusion through the most comprehensive public transport network in the country. This will be supported by effective spatial planning on a national and regional basis, supported by capital investment, service development and integration of public transport services and infrastructure planning.

CONTINUING INTEGRATION

The CIÉ Group has worked proactively at Operating company level with the National Transport Authority to ensure greater integration to improve ease of use for public transport customers.
Integration of services, of service information and of ticketing has improved the public transport experience, with the overwhelming success of Real Time Passenger Information (RTPI) and rapid uptake of LeapCard particular highlights. Such initiatives should continue to be supported and expanded to enable efficient and effective delivery of services, while ensuring the revenue impacts are fully understood and planned for.

**OPERATING COMPANIES**

Specific investment and strategic issues of priority for the CIÉ Operating Companies include:

**BUS ÉIREANN**

- Continuing to work in partnership with the National Transport Authority (NTA) to negotiate and deliver the best possible public transport offering for **PSO services** provided under direct award contract outside Dublin. Work programmes are focused on passenger and capacity growth on the core network as the economy recovers supported by fleet replacement, facilities and infrastructure investment.
- Competitively reposition Expressway and other commercial brands through service/quality improvements, investment in fleet/technology and customer focused marketing/pricing tactics in Ireland and internationally.
- Build on existing operational efficiencies and network effectiveness to ensure shareholder value with appropriate fleet investment.
- Implement a strategic communications programme with customers, employees and stakeholders.
- Replacement of end of life PSO vehicles with higher capacity environmentally friendly vehicles.
- Investment in the existing network of transport interchanges including bus shelters, bus poles, and customer facilities at bus stations.
- Maintenance and upgrade of existing RTPI and Wi-Fi systems.
- Necessary investment bus priority measures in the provincial cities and major towns across Ireland.
- Necessary investment in safety quality assurance systems and maintenance systems.
- Investment in the network of bus services in relation core network development, commuter service development and in rural/local transport integration to the wider Public Transport network.
- Capacity requirements to 2017 in most cases can be met by the deployment of higher capacity vehicles, but some frequency increases may be warranted and achievable. In order to cater for medium to longer term transport demands in the provincial cities, upgrades for the main corridors to Bus Rapid Transit (BRT), or “BRT lite” should be appraised.
IARNRÓD ÉIREANN

- Prioritising railway safety within the five-year multi-annual contract between the Minister and Infrastructure Manager. The level of funding will be determined by the new Rail Policy.
- As a key customer care priority the Customer First Programme is being progressed. This is a commercial strategy addressing all aspects of marketing and sales designed to enable Iarnród Éireann to retain and attract more customers, offer more relevant products and services, optimise pricing, and support improved customer communications.
- The major rail capital enhancement projects that will be progressed over the period, subject to funding, will be the roll out of a digital radio communication system (completion in 2019), and a hybrid train protection system (completion in 2021). These upgrades will replace the current life expired systems and will provide additional essential safety and control features.
- In the context of ongoing city centre resignalling and a new Central Traffic Control facility, Iarnród Éireann will extend Kildare route commuter services to Connolly Station / Grand Canal Dock via the Phoenix Park tunnel.
- Iarnród Éireann will work with the NTA to progress the development of the DART Expansion programme to enable construction to commence from 2020.
- Rail Freight will continue to pursue new commercially viable business opportunities within railhead to railhead / port bulk and container niche markets. Iarnród Éireann will cooperate with the three EU core ports (Dublin, Cork and Foynes) to develop freight rail connections subject to port funding and availing where possible of Connecting Europe Facility (TEN-T) funding.
- Rosslare Europort’s key business objective as an infrastructure provider and operator will be to remain the pre-eminent Irish port in the Continental Direct unitised freight and passenger markets. The port’s own funded investment programme will focus on essential maintenance and renewal works. In addition, Rosslare Europort is evaluating a concession arrangement options, as identified in the Strategic Review by Indecon, to facilitate investment in longer term developments including a new deep flexible berth and Lift-on/Lift-off handling facilities which will ultimately be required to cater for higher capacity ships and hybrid Lift-on/Lift-off / Roll-on/Roll-off services, thereby widening Rosslare’s potential market.
DUBLIN BUS

- Promote the benefits of public transport by regular engagement with our stakeholders.
- Help reduce congestion in the city by introducing new commercial and limited stop services.
- Increase the use of public transport through service initiatives and increasing customer loyalty.
- Working with the NTA to agree and deliver a network of services in a safe, cost effective customer-focussed way in order to deliver on our commitments under the PSO Contract. Dublin Bus will work closely with the NTA to ensure that current and capital resources made available under the PSO contract ensure that the network operated by Dublin Bus is properly funded.
- Develop the network in response to changing demand patterns, growth in volume, and avail of opportunities to contribute to greater transport integration across the Greater Dublin Area.
- The challenge of increasing congestion must be addressed and Dublin Bus will play a pro-active role in progressing solutions.
- Continue to progress improvements in the customer experience whether through online, Wi-Fi, real time information or other technological developments
- Operate efficiently and continue the drive to reduce costs wherever possible and continue to benchmark well against other similar operators.
- Drive the sustainable transport agenda in terms of reducing fuel and energy costs and progressively improving environmental emissions from our fleet.
- Maintain a high standard in our safety management system and continue to drive improving trends in safety performance.
- Compete effectively in the commercial area in order to generate profits for investment and to reduce the requirement for PSO compensation.
- Work closely with agencies and department to ensure that the market opening is cost neutral for Dublin Bus.
- Continue to liaise daily on the introduction of Luas Cross-City to ensure that traffic effects on the bus service are minimised.