

EXECUTIVE SUMMARY

- Allocation of very substantial resources for **investment in national transport infrastructure and public transport** under the National Development Plan 2000-2006 (NDP) is a major step towards overcoming the serious infrastructural constraints currently threatening to undermine the sustainability of Ireland's medium-term economic growth.
- Proposed investments under the NDP can contribute significantly to improving the quality of public transport services, but **regulatory reform**, in particular the introduction of competition in the provision of urban bus services requires urgent consideration.
- Effective and timely **implementation** of infrastructure investment plans in the NDP is critical to preventing a marked deterioration in Ireland's international competitiveness. Key projects of strategic importance to Ireland's national transportation infrastructure remain seriously behind schedule. Delays in delivering planned infrastructure compound current bottlenecks, increase congestion costs, and by failing to meet expectations, undermine the credibility of the commitment in the NDP to respond to the transport crisis.
- If not addressed, the scale of **capacity constraints** currently affecting the construction sector threatens the realisation of the strategy set out in the NDP.
- Providing it is enacted, as planned, by Easter 2000 and implemented rapidly, the proposed Planning and Development Bill 1999 should, in time, help reduce existing **planning delays**. However, options for further legal and administrative reforms beyond those proposed in the current Bill should be pursued.
- **Demand management** measures such as road pricing that promote more effective utilisation of existing transport infrastructure should be urgently evaluated, piloted and, if found to be effective, swiftly introduced in congested urban areas where alternative public transport provision is in place.
- **Institutional reform and co-ordination** must be a priority. Incentives must be structured to encourage all bodies with responsibilities in this broad area to work together towards the efficient and timely delivery of expansion and improvements in the country's transport infrastructure and services. Existing institutional barriers must be identified and eliminated to achieve the key competitiveness goal of a first class national transportation system consistent with Ireland's economic development and future competitiveness. The role of State agencies in the approval phases of transport infrastructure projects must be co-ordinated, and where possible, responsibility should rest with a single body.
- The National Competitiveness Council believes that **prioritisation** of key strategic projects in national transportation infrastructure is imperative. Their completion must be primary operational objectives of the NDP. The Council also recommends that consideration should be given to the appointment of **Senior Programme Managers** within relevant departments and agencies, with powers and responsibility to ensure that these projects are completed within the lifetime of the Plan.
- **Public support** must be mobilised for the undertaking of priority projects in national transportation infrastructure outlined in the NDP. Public awareness of the prospective high cost to society of failing to secure efficient and timely delivery of current plans must be heightened.

Proposals on Transport Infrastructure, the Planning Process and Public Transport

- The ongoing work of the **Cabinet Committee on Infrastructural Development**¹ will, as detailed in the recent Framework for Action on Infrastructural Development², play an important role in accelerating the pace of essential improvements in national transportation infrastructure.
- The Council does not believe that addressing merely one or some of the constraints on timely development of infrastructure will be sufficient. In particular, the high-level work of the Cabinet Committee must be complemented by **acceleration of project planning**, the **streamlining of approval processes** and **building-up programme** and **project management capacity** in the delivery agencies.
- The Council welcomes the renewed commitment contained in the Programme for Prosperity and Fairness to improve public transport services and overcome the infrastructure bottleneck in order to enhance quality of life and sustain economic growth.

¹ *In mid-1999 the Government established a Cabinet Committee on Infrastructural Development including Public Private Partnership. This Committee is chaired by the Taoiseach and includes the Tánaiste and Minister for Enterprise, Trade and Employment, the Minister for Finance, the Minister for Public Enterprise, the Minister for the Environment and Local Government, the Minister for Justice, Equality and Law Reform and the Attorney General.*

² *Prepared by the Cross-Departmental Team acting as Secretariat to the Cabinet Committee.*

1. Overview: impact on competitiveness of inadequate transport

Ireland's future economic growth and international competitiveness are currently being undermined by serious deficiencies in Ireland's transport infrastructure and public transport services. These pronounced weaknesses are now interacting through a number of related channels (see box below) to undermine competitiveness and future growth potential.

Competitiveness and the Transport System

- The poor quality of public transport and the congested road network are reducing labour availability and impeding labour market flexibility. Long commuting times are also reducing productivity and diminishing the quality of life.
- Dramatic increases in employment over the 1990s, allied to expanding residential developments and commuter zones have placed further strain on the transportation system and contributed to upward pressure on house prices and rents. • Ireland's attractiveness for continued inward migration, critical to supporting competitiveness, is being undermined.
- The consequent intensification of skill and labour shortages threatens Ireland's attractiveness for foreign direct investment, the motor of Ireland's economic transformation over recent years.
- Increased cost and lower productivity in transport and distribution has negative consequences for the competitiveness of the enterprise sector, given Ireland's high trade dependency and consequent reliance on competitive transport costs.
- The Medium Term Review 1999-2005 (ESRI, 1999) is categorical in its emphasis upon the need for much improved transportation infrastructure and services. It explicitly links its benign central forecast to successful delivery of improved transport infrastructure.

The National Development Plan (NDP) has provided resources for major investment in national and regional transport infrastructure to 2006 (see Annex I). Planned total investment on this infrastructure is £8.5 billion in 1999 prices. This represents a substantial increase in the resources committed to resolving current infrastructural deficiencies. The National Competitiveness Council (NCC) believes that the financial resources allocated under the Plan are ambitious enough to meet the demanding challenge posed by Ireland's infrastructure deficit. However, as outlined below, in order to maximise the return on this investment, a number of key institutional reforms are essential. In particular:

- development of integrated national and regional spatial and transport strategies;
- accelerated regulatory reform;
- reform of the planning process currently being addressed through the provisions of the proposed Planning and Development Bill, 1999;
- application of resources to implement fully the key planning provisions of the Planning and Development Bill;
- much more effective co-ordination of state activities in the transport area.

Above all, while it is clear that the financial resources allocated under the NDP are of a scale commensurate with infrastructural and public transport service requirements, it is also clear that speed of implementation of improvements is critical to the effective delivery of the objectives of the Plan.

2. Introduction: complex mix of weaknesses

Notwithstanding high and increasing levels of investment over recent years, the quality and capacity of transportation infrastructure and public transport services in Ireland remain poor in international terms, falling well short of the standard appropriate to a dynamic and advanced EU economy. Ireland's remarkable economic performance over the 1990s is the primary factor underlying the severe pressures currently impacting on the capacity of transportation infrastructure and public transport services. Unprecedented (and unforeseen) growth in employment, population and incomes has resulted in huge unanticipated growth in transport demand in the economy. A number of serious structural weaknesses have significantly compounded the severity of the problem:

- inadequate and delayed investment in major infrastructure projects, due to a cumbersome and time-consuming planning process;
- the failure to utilise more effectively existing road transport infrastructure through the adoption of demand management measures; • the absence of a sufficiently competitive and effective public transport system to provide an alternative to private car use for many commuters;
- the lack of integrated national/regional/local spatial and transport strategies.

Almost all of the increased urban traffic generated by economic growth in recent years has been provided by private cars³. Public transport has been unable to cater adequately for burgeoning transport demand, particularly in Dublin, but also in regional centres. The consequent severe congestion in urban areas, which is imposing high costs on the enterprise sector and society at large, is clearly unsustainable. Efficient urban public transport is, therefore, a vital requirement for sustained economic growth and social progress.

Overall, timely and efficient delivery of the substantial volume of investment allocated in the NDP to transportation infrastructure and significant upgrading of public transport services is essential to allow the economy to realise fully its medium-term growth potential and to avoid squandering some of the hard-earned gains of recent years.

The following sections outline the key dimensions of the transportation problem and make recommendations for urgent action required.

³ Over the period 1991 to 1997 peak transport demand in Dublin increased by over 70 per cent; 92 percent of this additional demand was met by private cars (Source: *Transport Infrastructure and Public Transport: Background Paper and Recommendations*. Prepared for Forfás by Mr. Anthony Foley DCU, September 1999)

3. Public Transport Enhancement: public transport share of passenger trips declining

Against the backdrop of rapid economic and employment growth, public transport services are not, in general, providing an alternative to private car use. It is striking that public transport's share of passenger trips in the Dublin area has actually declined from 36 per cent in 1991 to 27 per cent⁴ in 1997. Indeed, public transport has contributed little to meeting the growth in transport demand that has occurred since 1991, with over 92 per cent of additional demand met by use of private cars⁵.

The Government has already taken steps to increase the capacity of public transport in Dublin by approving funding for investment in over 150 new buses, 16 additional Dart carriages and 20 suburban diesel railcars. There is, however, a pressing need for a clear schedule to ensure that these investments become operational quickly and effectively. Investment is also planned in park and ride facilities⁶ together with the introduction of integrated ticketing. However, if the competitiveness of the economy, and of the Dublin region in particular is not to be seriously eroded, the capacity and quality of the public transport system must be overhauled. It is estimated that even if public transport provision doubled over the period to 2006, that this additional capacity would only cater for about 75 per cent of the additional demand for transport services projected to arise over the period.

Regulatory reform can be a quick and cost-effective method of providing additional transport capacity. There is a compelling need to ensure that public transport is capable of providing the required level and quality of competitive transport services on a value for money basis that meets the needs of the enterprise sector and the economy. A review of the Road Transport Act, 1932, which provides the framework for licensing of scheduled road passenger services is now underway by the Department of Public Enterprise. This review should be swiftly completed and should be accompanied by a review of the price regulation framework and the subvention provided by the Exchequer for social services. The Council believes that the introduction of competition in the provision of urban bus services is essential to securing necessary improvements in service quality and capacity.

The different mechanisms that might be used to deliver increased competition and capacity in public transportation should be examined in detail in the review of the Road Transport Act. The Department should also consider, particularly in the light of the need to provide subsidies for loss making routes, how best to construct an incentive structure for service providers that maximises passenger numbers. A particular priority identified by the Council is the introduction of new orbital routes to meet the transport needs of the rapidly emerging industrial centres on the perimeter of major urban centres.

A number of straightforward changes with a clear time-scale should be adopted in the management of public transport. These include: use of both doors on buses; investment in park and ride facilities; the rapid introduction of integrated ticketing; and the provision of a wider range of discounted, pre-paid, multi-journey bus tickets.

It should be recognised that increased investment in public transport infrastructure must not be confined to just physical assets. Investment in improving the skills, management and organisational capabilities of existing service providers is essential (including the area of information technology) in order to deliver the desired level and quality of service expected from substantial new investment.

A smoothly functioning **taxi service** is an essential concomitant to an efficient urban public transport system which provides a viable alternative to private car use. Service quality, in particular in the Greater Dublin area, falls very far short of this desired standard. Proposals made late last year by the Minister of State at the Department of the Environment and Local Government to increase the number of Dublin taxi licences by about 3,000 this year have the potential, *if fully implemented*, to relax appreciably the current capacity problem and lead to a significant improvement in service.

⁴ Comprising 19 per cent bus and 8 per cent rail. (Source: Foley, 1999)

⁵ Foley (1999)

⁶ Exchequer funding of £2m was provided to the Dublin Transportation Office in 1999 to this end. Tax incentives in the 1999 Finance Act will facilitate private investment in this area.

Key Recommendation 1

The regulatory and cost accounting frameworks for public transport services should be reviewed as a priority, and reformed as required, so as to achieve a significant increase in the capacity, convenience, quality and competitiveness of public transport services.

4. Demand Management: more effective use of existing infrastructure

Significant upgrading of the economy's transport infrastructure and public transport services is clearly necessary. However, to maximise the return on the substantial investment resources allocated under the NDP to these objectives, it is essential to assure more effective utilisation of existing infrastructure through the adoption of demand management measures.

Engineering solutions to traffic congestion in urban areas are not available in the short-term as delays will inevitably occur, even with the adoption of the new planning provisions, before new projects come on-stream. In any event, the international evidence and experience is that increased road capacity is highly unlikely to provide a solution: private car use is likely to be highly responsive to the availability of an improved road network within urban areas.

In heavily congested urban areas where alternative public transport provision is in place, demand management measures should be evaluated, piloted and, if found to be effective, introduced. These could involve measures such as road pricing or area licenses. The potential role of measures to promote greater flexibility in working hours and in relation to deliveries to the commercial sector should also be appraised to attenuate pressure at peak commuting times. Swift imposition of tax on the use of employer-provided car parking spaces in the inner city area of Dublin, in line with the recent commitment of the Minister for Finance, would also be welcome.

Initially, demand management of scarce transport infrastructure should be directed at reducing private car use in congested urban areas. It should complement existing efforts at traffic management through such measures as clamping and exclusion zones already applied in Dublin and other locations. Plans should be designed to afford priority in using transport infrastructure to public transport. Effective communication campaigns are also essential to garner public support for schemes improving utilisation of existing transport infrastructure and attempting to modify travel behaviour, such as excessive private car use, which gives rise to high social costs.

Key Recommendation 2

There are clear limits on the supply of road transport infrastructure in urban areas. Demand for existing infrastructure must be better managed to promote effective utilisation. Demand management in the form of user charges such as road pricing should be urgently assessed.

5. The Planning Process: rapid adoption of the Planning and Development Bill is essential

The provisions of the proposed Planning and Development Bill, 1999, to significantly speed-up and provide certainty in the planning, approval and appeal processes for major infrastructural projects are integral to ensuring effective delivery of investment plans within a reasonable timescale.

The existing planning and development system and process have been unable to deliver major projects in national transportation infrastructure in a timely and cost-effective manner. Work has still to commence on key projects that were planned in the early 1990s to cater for much lower anticipated rates of economic, employment and population growth⁷. Delays in completion have resulted in transport bottlenecks and severe traffic congestion in towns and along primary routes.

The reforms contained in the draft *Planning and Development Bill, 1999* (outlined in the box below) are vital in order to address quickly key capacity constraints and planning bottlenecks. However, in order to maximise the beneficial impact of these legislative changes there is a clear need for improved (and proactive) project and programme management by delivery agencies.

Reforms to the Planning Process

- Shortening of the period for decisions on planning applications to 12 weeks and for road schemes to 18 weeks.
- Proposed reform of the appeal and judicial review procedures to provide certainty as to due process.
- The proposed transfer of powers to An Bord Pleanála to confirm both Compulsory Purchase Orders and road schemes, and the consideration of Environmental Impact Assessments to speed up the decision making process.
- The statutory development and recognition of regional planning guidelines and local area plans should be of considerable benefit from a spatial and transport planning perspective.
- The proposals in respect of Special Development Zones for industrial development should also make a significant contribution.

As part of the review of the planning process initiated by the publication of the Planning and Development Bill, further options for administrative and legal reform beyond those proposed in the current Bill should be pursued. Procedures for referring complaints to the European Commission in respect of alleged breaches of EU environmental directives, which have led to significant delays in a number of major EU funded projects in national transportation infrastructure, should be reviewed in conjunction with the European Commission.

Finally, the Council believes that a much greater degree of clarity is required in relation to the role and frequency of the judicial review process insofar as it relates to infrastructural projects. The high level of costs borne by society at large arising from legal challenges in this area should be properly and fully taken account of in the process of judicial review.

Key Recommendation 3

The key planning provisions of the Planning and Development Bill, 1999 should be enacted, as planned, by Easter 2000. The administrative resources required by An Bord Pleanála, relevant Government Departments, local authorities and the courts for the efficient and effective implementation of the provisions of the Bill in respect of major infrastructure projects should be swiftly put in place.

⁷ These include the Dublin Port Tunnel and by-passes such as Kildare-Monasterevin and Clonard-Kinnegad.

6. Spatial Planning: critical to future infrastructure and transport needs

The purpose of spatial planning is to promote balanced regional development that is consistent with maximisation of national economic potential and the maintenance of scarce environmental resources. The characteristic features of spatial planning are an emphasis on sustainability and a long-term perspective.

The provisions of the proposed Planning and Development Bill, 1999 giving power to regional authorities to prepare regional planning guidelines and the Government's overall commitment to the development of a National Spatial Strategy within two years represent important initiatives. However, the Council, while recognising the importance of the immediate implementation of the infrastructural aspects of the NDP, are concerned about delay beyond 2001 for the preparation of such a strategy. This is due to the fact that several major investment projects under the NDP will be initiated outside of the proposed National Spatial Strategy.

Spatial planning can contribute to more effective use of scarce resources, curtailing pressures of congestion and "overheating" in urban areas and helping to achieve higher living and environmental standards. A new approach guaranteeing effective co-ordination and integration of planning can help avoid chaotic development in cities and business locations, the ever-expanding need for road space and the imposition of additional pressures on an already over-stretched system of public transport.

National and regional spatial planning needs to achieve a high-degree of co-ordination of existing government policies and activities across a broad spectrum of responsibilities including land use, housing, roads, public transport, social, cultural and recreational infrastructure and attraction of internationally mobile investment.

Strategic spatial planning at national and regional level is essential so as to anticipate future infrastructure and transport needs and to provide a comprehensive framework within which transport planning can take place.

Key Recommendation 4

The National Spatial Strategy (NSS) should be designed strictly within the two-year timeframe set out by Government in the NDP and fully address the need for the development of detailed transport plans and strategies. Additional resources as required should be provided for the preparation and monitoring/review of the NSS.

7. Agency Co-ordination: central body required for Dublin

The seriousness of the current transport situation, particularly in Dublin, warrants radical action. Improvement of transport infrastructure and traffic management currently involves a large number of different agencies and bodies. This reflects the high degree of institutional diversity in the provision of urban transport services. However, the absence of a clearly defined leader organisation with overall responsibility impedes co-ordination and agreement on a clear and consistent set of objectives. This interferes with securing essential improvements in transport and implementing the strategies, plans and measures to achieve this end.

The Dublin Transportation Office (DTO) undertakes some important integrating, planning and co-ordinating roles, but lacks the powers and the independence to pursue an authoritative and decisive role among all responsible agencies. There is a need for more direct leadership, with accountability, of the overall transport improvement effort.

A review of the institutional arrangements for effective delivery and co-ordination of Dublin's transport services is currently being undertaken by the Cross-Departmental Team that acts as Secretariat to the Cabinet Committee on Infrastructural Development. The Council believes that this review should include consideration of the establishment of an over-arching body directly responsible to Government, via the Cabinet Committee, for effective implementation of transport improvements in Dublin and the direct co-ordination of the activities of the relevant agencies involved.

This independent body could have powers and responsibility for traffic management and planning the provision of transport services in Dublin, for more rapid implementation of projects and also in respect of specified actions by other agencies in pursuit of transport improvements. It could be created through allocation of increased powers and resources to the existing DTO, in the context of the forthcoming review of that organisation, or through the creation of an entirely new body. The former option requires that the role and function of the DTO and other government agencies/bodies be clearly delineated and defined in order to remove any uncertainty as to where responsibility in achieving improvements in Dublin's transport system resides. In the latter case, any new body should be constituted for a limited and clearly defined period of time.

Key Recommendation 5

Consideration should urgently be given to the establishment of an over-arching body directly responsible to Government for effective implementation of transport improvements in Dublin and the direct co-ordination of the activities of relevant agencies involved in providing improved transport services. This organisation could be established as a new body or through empowerment of an existing body.

8. National Development Plan: prioritisation and implementation

The National Development Plan provides substantial financial resources to upgrade the capacity of the national road and public transport network to the standards appropriate for a dynamic, advanced and developed economy. The principal function of the Plan is to provide a strategic framework for the allocation of the resources needed for investment in infrastructure. The primary task now is to ensure that these resources allocated under the Plan are deployed through Operational Programmes (OPs)⁹ that deliver the required expansion and improvement in transport infrastructure and services. This highlights the central role of relevant Government Departments and their agents in specifying, **prioritising and achieving** the necessary infrastructure objectives.

In the long-run, the ultimate value of the NDP will be dictated by the extent to which it is 12 successfully implemented. Careful monitoring of progress in relation to implementation and completion of projects is essential. Clearly, any serious delays in the implementation of the ambitious plans outlined in the NDP will jeopardise the medium-term sustainability of Ireland's growth performance. Consequently, **removal of barriers** to implementation and completion of the proposed investment in the transport system must continue to be a key focus of policy.

The ongoing work of the Cabinet Committee on Infrastructural Development will, as detailed in the recent Framework for Action on Infrastructural Development, play an instrumental role in this regard in accelerating the pace of essential improvements in national transportation infrastructure and in ensuring **timely and efficient** implementation of priority projects.

If not addressed, the scale of **labour and skill shortages** in the construction industry are a major obstacle to the successful realisation of the ambitious investment plans contained in the NDP. In this context the ongoing work of the Forum for the Construction Industry to boost supply potential is critical to the success of the strategy detailed in the NDP.

In view of the scale of **capacity constraints** that the planned volume of infrastructure spending under the NDP will induce in the domestic civil engineering/construction industry, it is vital that companies in other EU countries and further afield be encouraged to tender for projects. This will require that projects, especially in road construction, be of sufficient size to attract large enterprises or consortia.

The recognition in the NDP that **Public Private Partnerships** (PPPs), by harnessing the expertise and capacity of the private sector, can make a pivotal contribution to resolving profound weaknesses in Ireland's existing transportation infrastructure should rapidly be translated into a key pillar of the state's investment programme in transport infrastructure.

In the area of **public transport** services, it is vital that the State's substantial investment commitment in the NDP is not locked-in to existing institutional and organisational structures that may pose barriers to improvements in infrastructure. Indeed, the National Development Plan itself emphasises the critical link between allocating resources and securing positive results on the ground.

Key Recommendation 6

Priority projects in national transportation infrastructure under the NDP should be identified and their completion established as primary objectives of the relevant Operational Programmes. Progress in implementation should be monitored continually and measured effectively.

Key Recommendation 7

The appointment of a small number of Senior Programme Managers with powers and responsibility for delivery of priority infrastructure plans should be considered in the context of examination of institutional and administrative arrangements for the implementation of strategic projects in national transportation infrastructure.

9. Conclusion

The Council welcomes the renewed commitment contained in the *Programme for Prosperity and Fairness* to improve public transport services and overcome the infrastructure bottleneck in order to enhance quality of life and sustain economic growth. Over the last decade the business sector of the economy has undergone a process of substantial modernisation which, by boosting competitiveness, has provided the foundations to Ireland's remarkable economic performance over the period. Rapid modernisation of Ireland's national transportation infrastructure and public transport services is, clearly, critical to the prospect of consolidating and continuing to build on the social and economic progress achieved to date.

Annex 1

Details and Key Features of Proposed Investment in Transport under the National Development Plan

The National Development Plan (NDP) 2000-2006 has allocated approximately £21 billion to social and economic infrastructure. Of this sum, a total of £8.5 billion (40%) is the proposed investment in transport infrastructure and public transport services.

The table to follow provides a breakdown of this allocation into the relevant expenditure categories and identifies key features.

Public Transport

The development strategy for public transport outlined in the NDP, in respect of which £2.2 billion has been allocated under the NDP, has four main components:

- a transformation of the public transport system, mainly in the Greater Dublin Area;
- measures for regional public transport; • a renewal programme for mainline rail;
- the introduction of traffic and demand management measures to optimise use of scarce transport resources.

Current estimates for the Greater Dublin Area indicate that the proposed investment programme will provide for substantial increases in capacity:

- DART capacity will be expanded by approximately 7,400 seats (39%) and suburban rail by 7,800 seats (26%);
- The size of the bus fleet will increase by 28%, providing an additional 22,000 seats;
- LUAS would cater for an extra 16,000 peak hour trips.

Proposed Transport Investment Under the NDP 2000-2006 (£ million)		
Item	Proposed Expenditure (£ million)	Key features
Road Infrastructure	6,300	Complete existing projects
Of which		Improve inter-urban roads to motorway /dual carriageway standard
National-Primary roads	4,700	
Non-National roads	1,600	
Public Transport	2,200	
Of which		
Greater Dublin Area	1,585	
LUAS	430	Complete initial two surface lines by 2002/2003
Suburban rail	185	Acquire 46 additional DART carriages and

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		58 diesel railcars
Bus network	220	Purchase 275 extra buses and replace 500
Traffic management and transport integration	250	Introduce integrated ticketing system, 3,700 park and ride spaces, completion of Quality Bus Corridor (QBC) programme and development of interchange nodes
LUAS (contingency fund)	500	Provision for subsequent LUAS lines including possible sub-surface element and longer-term rail development programme
Regional Transport	650	
Of which		
Rail safety programme	350	Undertake safety improvements at over 530 level crossings and 100 bridge structures
Rail renewal and upgrading	150	Replace 311 miles of jointed track with continuous welded rail (cwr). Acquire 20 new mainline rail carriages.
Regional urban public transport services	50	
Regional bus services including fleet renewal	87	Purchase 560 buses
Improved accessibility to regional public transport infrastructure and services	10	
Pilot rural public transport projects	3.5	

Source: National Development Plan 2000-2006.