dublinchamber of commerce

Submission on the GDA Transport Strategy March 2015

RECOMMENDED PRINCIPLES FOR THE GDA TRANSPORT STRATEGY

1. **THE STRATEGIC PLAN FOR TRANSPORT IN THE GREATER DUBLIN AREA MUST BE LONG TERM - PRIORITISING, INTEGRATING AND PHASING PROJECTS THAT WILL LAST 100+ YEARS**
   - To keep Ireland's largest city region competitive internationally
   - To meet needs of population and employment growth
   - To prevent damaging business productivity; reduce lost work hours and sales
   - To generate economic returns in Dublin which boost Ireland's growth

2. **MAINTAINING & GROWING ECONOMIC OUTPUT IS DEPENDENT ON TRANSPORT INVESTMENT THAT KEEPS PACE WITH COMPETITOR CITIES**
   - Movement of people and goods into, out of and around the GDA is how business gets done
   - Underinvestment in infrastructure leads to congestion crises which cannot be quickly resolved. This is already occurring in Dublin and will undoubtedly become critical
   - Capital investment levels should be pro rata with competitor cities, many of which have already implemented large investment programmes. Dublin's current investment level is one third of that of such competitor cities
   - Financing, including private sector financing, is available for infrastructure projects, especially given the historically low cost of capital

3. **COMPETITIVENESS, MODAL SHIFT AND INTEGRATION WITH THE LONG TERM PLAN ARE THE MAJOR CRITERIA FOR EVALUATING PROJECTS**
   - Focus on projects that meet strategic challenges identified in the plan, such as future demand for the movement of people and goods. 'Off-the-shelf' projects promoted by different, often competing, agencies should not set the agenda
   - Cost-benefit analysis of projects based on independent assessment of their impact including value in terms of global competitiveness (e.g. connectivity to Dublin Airport, time cost to business of congestion)
   - Cost-benefit analyses should be on a 20+ year basis, including build, operate and maintain (e.g. overall cost if a new project reduces road and footpath space etc.)
   - Lower the complete cost of transport to the end user, accounting for comfort, journey time, fare, crowding levels, dwell times, ease of using the network, service reliability, user functionality, etc.

4. **PRIORITISE MODAL SHIFT FROM PRIVATE CAR ESPECIALLY AT PEAK HOURS AND FOR COMMUTERS TO THE CITY CENTRE**
   - Realistic, reliable alternatives will drive a shift away from private car use
   - Focus on routes with proven demand and high frequency, high volume public transport routes into the city centre
   - Building capacity through new tunnels, rail or bridges will benefit generations

5. **SHORT TERM, LOW COST SOLUTIONS SHOULD SUPPORT LONG TERM PLAN**
   - Continuous improvement of existing bus service, which is the workhorse of GDA transport
   - Improve intra-city centre movement via walking and cycling supports
   - Develop incentives for modal shift to support better demand management

Introduction

As acknowledged by the National Transport Authority (NTA), significant changes have occurred since the preparation of the last Draft Transport Strategy for the Greater Dublin Area (GDA). That paper was drafted in 2011, in a context of extremely constrained funding and little certainty about the availability of funds into the future.

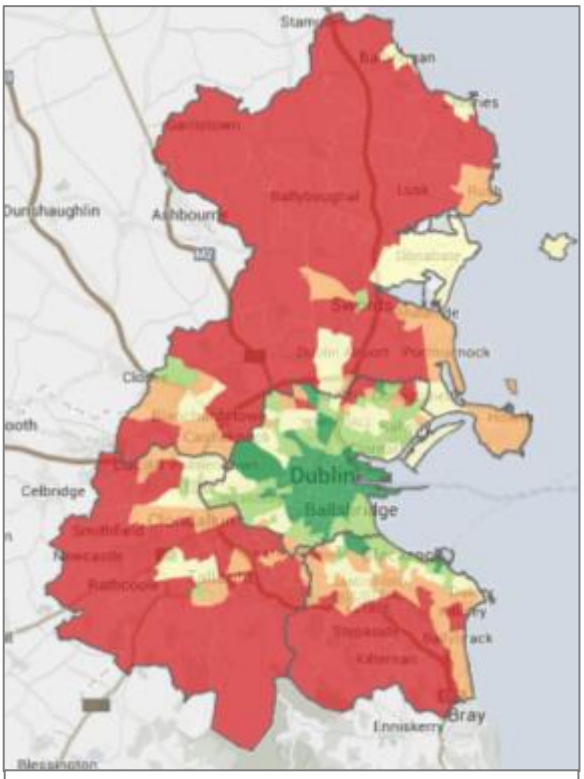
Dublin has recovered and is growing once again, but some of the by-products of growth can be problematic. The current reality of congestion means strategic decisions must be taken now to avoid total gridlock and ensure a sustainable future for movement into, out of, and around the city.

Dublin Chamber therefore welcomes the opportunity to input into the NTA's Plan for the GDA to 2035. Much of the previous Strategy covering the years 2011-2030 is still applicable but, in light of the economic recovery, this revised version must be even more ambitious and clearly commit to the delivery of transport solutions for the GDA.

Background to GDA situation

Population growth – *Demand*

The CSO's population forecast indicates that nearly two-thirds of the State's growth to 2031 will be in the Dublin region. Such growth would be in keeping with the global trends of urbanisation and could help to generate the productivity and innovation needed to help create a sustainable economy in Ireland. The area has seen significant development in recent years and it is likely that such development will continue even as housing supply dries up. Therefore, a mass transport system for this region will only grow in importance.



Census 2011 – Population aged 5 years and over using private transport (Red high % vs Green low %)

Commercial expansion – *Demand*

Dublin has seen considerable commercial expansion in recent years, with CSO figures showing that around one quarter of the 60,000 new jobs created were in tourism-related sectors of the economy, including hotels, food and retail. Indeed, Dublin was recently voted one of the best shopping cities in the world.

Dublin now has around 40 million sq. ft. of modern office space. With a shortage of office stock for new occupiers at present, there is a projected net additional requirement for 1 to 2 million sq. ft. per annum of new office space in the city, suggesting that the office working population may increase by 10,000 to 20,000 people in any one year. For Dublin to remain competitive these workers must be able to access the city easily. Ideally many younger workers will be able to live in the centre (a challenge at present due to short supply of residential space and high rents). However, commuting requirements will only increase along with this employment growth.

If this is added to projected growth in other commercial activity such as Dublin tourism, and if Dublin is to remain competitive in attracting shoppers, the transport system needs to stay ahead of demand.

Land use planning – *Demand management*

Planning in the Dublin region has seen the rise of a 'donut' city, where residential density has not risen in the city centre but around it. Such poor planning will have a long impact and will be highly costly in terms of the provision of services. It is important that the issue of future transport in the GDA is addressed before commercial and population growth necessitates rapid development in the area. A clear transport system investment plan would inform the land use plans of the local authorities, ensuring better coordination in residential and business zoning.

Limited road and public transport network into city centre – *Network capacity*

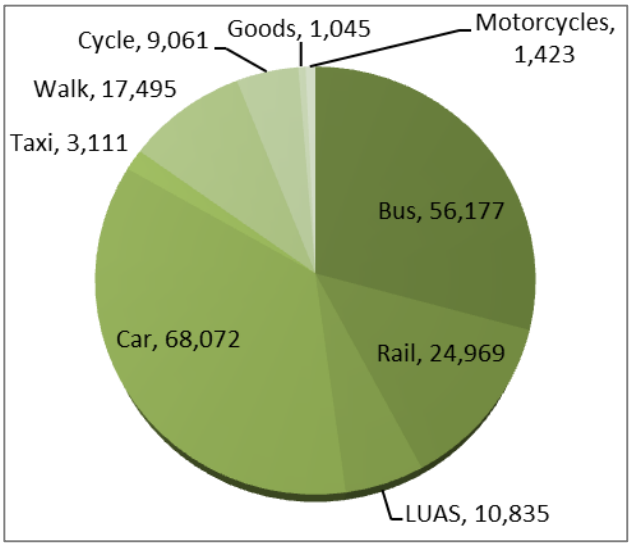
Dublin's road network is largely based on the city's historical routes. This means that options to increase road space in line with population growth or job creation are severely constrained. Public and active transport modes offer considerable advantages in terms of transporting more people using less road space, as illustrated by the below image.

High dependence on private car for transport into city centre – *Efficiency*

Private car represents the single largest mode share for people coming into the city centre. In 2013, 35% of people entering the Dublin city centre area used a private car, just a slight drop from 2006 when this rate stood at 37%.

The above figures are not new information, but only modest changes in behaviour have been realised. There is a common perception that lack of modal shift is caused purely by commuters' reluctance. Proper assessment of the motivations behind commuters' choice of transport mode is needed.

The NTA's Smarter Travel Workplaces programme is an important step towards this, with staff mobility surveys which offer insights into commuters' habits and preferences. The lessons learned from this must be factored into



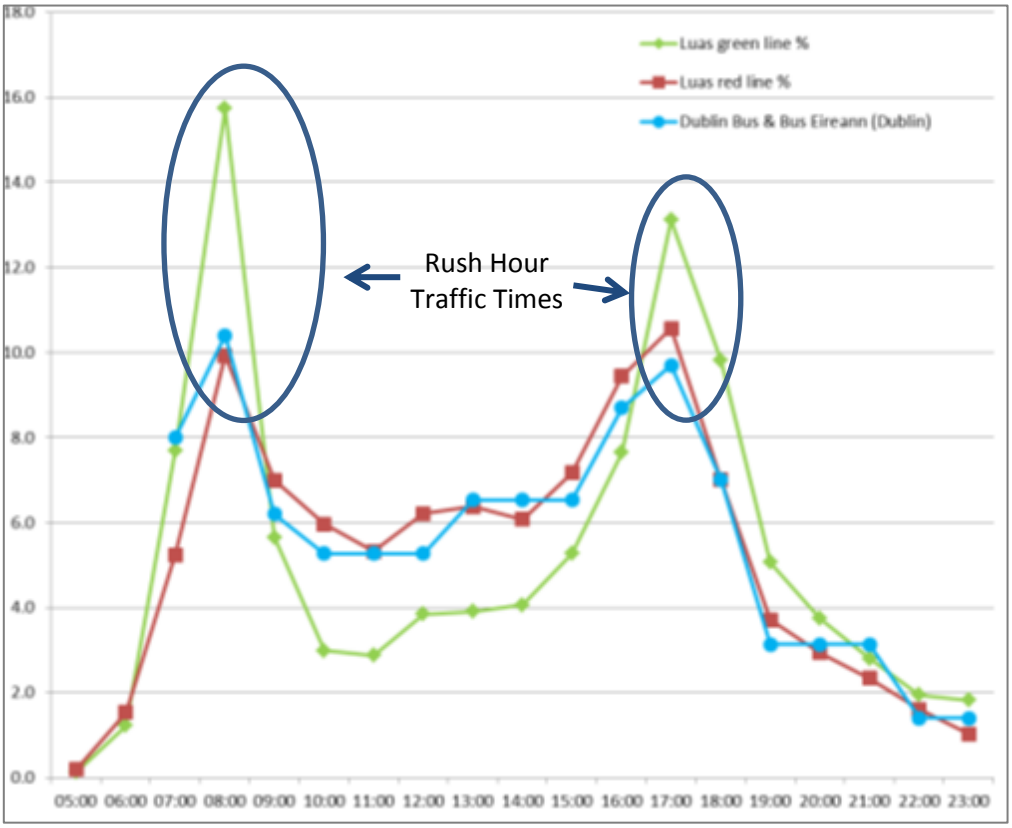
Numbers of People Crossing the Canal Cordon by mode of Travel (2013)

the project selection process as they clearly show the factors (which include shorter commute times; reliable service; pleasant environment; and affordability for the user) that can incentivise modal shift out of private cars, where that is possible.

Peak times are the critical issue – *Peak load*

Journey time is the chief concern for commuters, especially at peak hours in the morning and evening. Any chosen transport solution will be judged according to its ability to get the commuter into and out of work more quickly than other options. This in turn will improve competitiveness. The graph below illustrates this, using Luas and bus data from the CSO.

Average daily flow of Luas and Dublin Bus & Bus Éireann passengers (2013)



The economic case for transport investment

Despite the growth patterns outlined above, Dublin's transport system has not yet reached full capacity. One may therefore reasonably ask – is heavy investment needed at this juncture? Can we support the transport system with minor improvements over the next five years? The answer is an emphatic no. Doing nothing still implies considerable cost.

A recent study by Siemens sought to "put an economic value on the cost of inefficient transport to a city's economy and in turn, the economic benefits investing in transport improvements would bring".[1] Some key findings of the study were that:

- Cities that invest in transport will reduce economic costs and drive economic growth;
- Cities that have transport plans in place will reduce the economic cost of infrastructure;

[1] *The Mobility Opportunity*, available at http://www.siemens.com/press/pool/de/feature/2014/infrastructure-cities/2014-06-mobility-opportunity/Study-mobility-opportunity-preview.pdf, Siemens 2014

- The scale of economic benefits should dictate the level of investment;
- Governance should be effectively integrated to create successful plans and bring them to fruition; and
- Cities should act now and should not be afraid of the upfront investment cost, since the economic benefit is likely to repay that investment many times over.

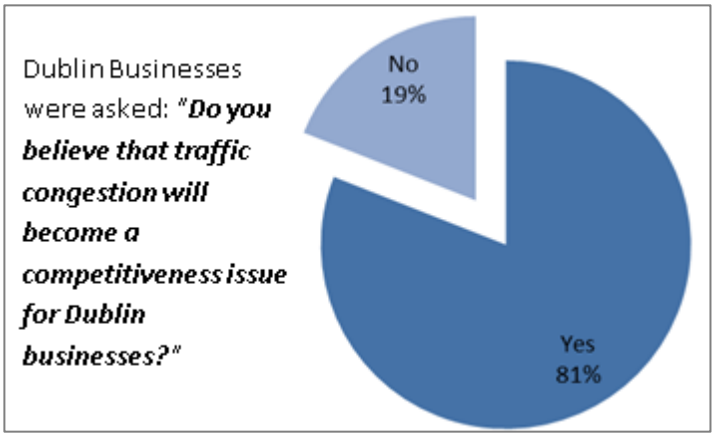
Above all, these findings highlight the importance of a developing and implementing a long term strategy. This is why the NTA's consultation on the GDA is so welcome and timely. For many of the cities assessed in the Siemens report, the economic cost of transport is forecast to increase by 2030. Where cities have not already put plans in place to react to increased demand by 2030, or where current plans are insufficient, transport costs will consume an increasingly large portion of economic output. Dublin must not allow itself to fall into this trap.

Competitiveness

In 2013, over 840,000 people were employed in the county of Dublin. This represented more than 40% of the total workforce in Ireland. Employers are dependent on these workers being able to reach them.

Concern is growing amongst businesses that the economic recovery will see traffic volumes overcome the system. Dublin's business competitiveness is diminished by this, due to time lost in congestion. The cost is borne by the employer who loses staff hours, or client/delivery numbers.

Indigenous businesses could suffer reduced productivity and lost opportunities at a time when growth is expected to help create an extra 40,000 jobs. From a FDI perspective, one of the key factors influencing a company's decision on where to locate their business is 'ease of travelling around within the city'.[2] The movement of people and goods is being used by international competitor city regions as a differentiator to help them drive their economic growth.



Concern is growing amongst businesses that the economic recovery will see traffic volumes overcome the system. The past year has seen a significant rise in the amount of businesses reporting that they are directly or indirectly seeing costs rise due to congestion. Dublin Chamber's member survey (of 340 respondents) found that 63% were feeling the cost of congestion. An even greater number, four out of five, believe that traffic congestion will become a competitiveness issue for Dublin business.

Approach to the Long Term

Long term vision beyond 2035 - take a 100 year view

This strategy will set out a vision for transport in the GDA up to 2035. However, the strategy must recognise that infrastructure delivered in the next ten to twenty years will be used for the next hundred. The passage of time sees the emergence of different mobility trends and demands, and while we cannot predict the future, we can plan for the most likely scenarios. For

[2] Cushman & Wakefield, October 2011, 'European Cities Monitor 2011'. Senior executives from 501 European companies were surveyed and asked for their views on 36 European cities regarding their relative attractiveness as a business location.

the GDA, this means planning for growth as all international trends point to the continued success and importance of city regions.

The strategy for the Dublin region must be integrated. Infrastructure projects should be selected on an incremental, complementary basis and evaluated based on how they will interact with future projects and the network as a whole. All projects must be placed within a strategic transport network to ensure demand is adequately met and avoid duplication of services. Similarly, ongoing projects must be taken into consideration. For example, an M50 demand management scheme would affect traffic on regional roads in the Swords and N2/Ballymun/Finglas area. This should be clearly accounted for.

Investment commitment, decision process and sequencing

In its submission to the Department of Transport on their Land Transport Strategy, Dublin Chamber raised concerns about "the scale of the gap between available funding levels and the level of investment that is necessary to maintain the existing transport network in adequate condition". The transport capital envelope for Dublin, which the National Transport Authority puts at approximately €150m p.a., is significantly lower than what an international city region needs.

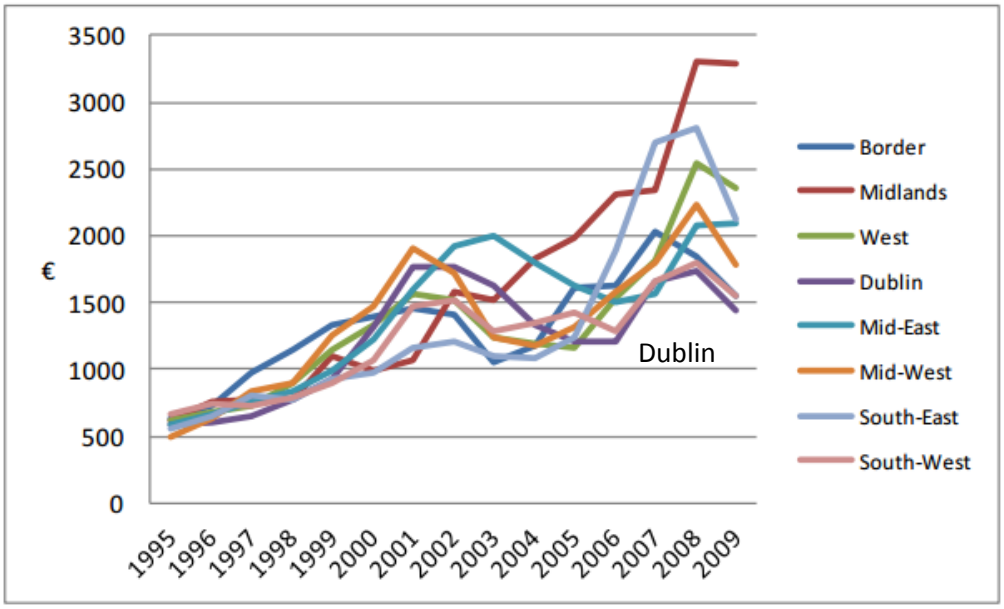
Benchmarking Dublin against other cities on a per capita basis highlights the level of underinvestment: London will invest €462m, and Manchester, €367m. Moreover, this comparison does not account for the fact that both of these cities have already implemented significant investment programmes. This means that they are investing from a much stronger base. Dublin's current investment programme must be at a minimum doubled, but preferably tripled, to keep competitive pace.

The situation is now urgent. Under current government planning, the commencement and delivery of major projects is at least ten years away and, in the interim, the GDA will continue to grow without the necessary infrastructure. Capacity has been rapidly filled in recent years and it is clear that action is required now to prevent Dublin coming to a standstill.

Contrary to popular belief, Dublin has not received over and above its 'fair share' in public capital expenditure. In fact, investment the GDA has been considerably lower than per capita levels across Ireland. A paper prepared by Edgar Morgenroth of the ESRI for the Department of Transport studied the level of per capita expenditure across the regions, finding that the Midlands region received the highest expenditure in 2009 and Dublin received the lowest per capita expenditure.[3] These findings are illustrated in the below graph. This analysis is offered to counter a commonly held view. Dublin Chamber wishes to emphasise that a 'pie cutting' approach to regional transport investment is wrong in principle. Decisions must be made according to the costs and benefits for the national economy.

[3] "The Regional Development Impacts of Transport Infrastructure: A Literature Review and Policy Implications", Edgar Morgenroth (2014). Paper was issued by the Department of Transport, Tourism and Sport. Calculations were authored in "The Regional Dimension of Taxes and Public Expenditure in Ireland" in Regional Studies, Vol. 44(6) pp. 777-789.

Real per capita public capital expenditure by region



Source: The Regional Development Impacts of Transport Infrastructure, Edgar Morgenroth, 2014

The Strategy should set out a plan for future demand growth and helping to create a sustainable transport of goods and people into, out of and through the Greater Dublin Area. It should provide an overall context for future investment decisions. By setting out strategic challenges, the NTA can call for projects that meet its requirements rather than 'off-the-shelf' projects. The strategy needs to ensure there is joined up thinking between the region's local authorities and transport providers. This in turn will give certainty to citizens and businesses about how Dublin's transport system will develop in the future.

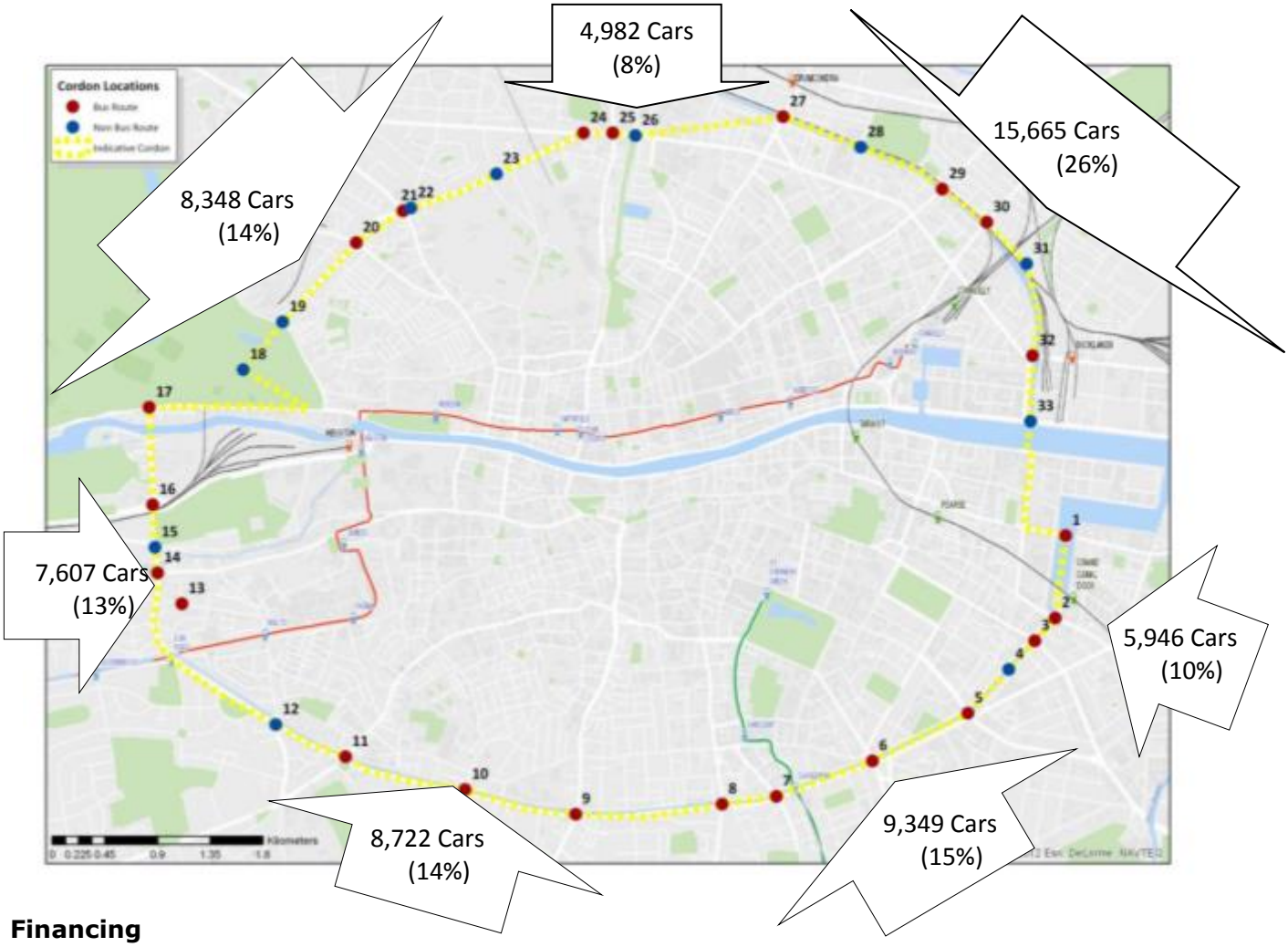
Modal Shift as a Priority

With about 60% of the modal share, private car is currently the dominant mode of travel within the GDA. Furthermore, car occupancy levels for trips to work have decreased. It is important that the NTA in the strategy clearly outlines its strategic challenges. As the illustrated map below shows, there are some areas where private car traffic is particularly intense. The implementation plans that follow out of the strategy should point to projects that address this strategic issue.

The issue of modal shift is time-based as well. As outlined above, the Chamber believes the key focus needs to be on peak time ('rush hour') transport for those commuting to and from work or school. The bulk of the traffic volumes causing congestion arise at these times and so the criteria for assessment must be focused there. This focus will help relieve unnecessary concern by retailers as the main focus will be on commuters.

Unless commuters are switching from their cars to public transport, walking, or cycling, no real progress will be made. All proposed projects for the GDA should aim to achieve maximum modal shift and high capacity, especially in light of the limited road space available in Dublin's city centre.

Private Vehicle Count through the 33 canal cordon points into Dublin City Centre (2013)



Financing

There is a prevailing perception that finance will be difficult if not impossible to secure, and that there is no 'real' return on the investment for the Exchequer. In the context of constrained funding, the Juncker investment funds from the European Commission could be considered. This could allow delivery of vital transport solutions without impacting on the Government balance sheet. The use of bonds rather than loans for financing could stretch out the financing to a point that makes these 100 year investments more affordable for a cash-flow conscious Exchequer.

Furthermore, only capital costs appear to be considered and assessed for proposed transport routes. Dublin Chamber considers that the operational costs over the longer term (20 year or 30 year period) are also relevant to account for the total financing costs of large investments. The cost-benefit analysis should also account for additional revenue to the Exchequer arising from increased economic activity as a result of a particular project.

Staying 'open for business'

The assessment of the projects needs to ensure that works will allow customers of retail, hospitality and other businesses feel that the local businesses are 'open for business' during enabling works, construction and operation. Businesses are supportive of the work that is being undertaken at the moment as part of the Luas Cross City, because all the key stakeholders to the project understand this principle. This is an important consideration that could impact on the cost and demand (if done poorly so as to kill off a business area). The Chamber as a county wide business organisation is willing to continue to play a leadership role in engaging businesses that would be impacted.

Speed and journey time
One of the key factors in modal shift is the time of the journey. In the Chamber's Fingal / North Dublin Transport Study submission, we assessed the existing journey times for key locations via car and compared this to the projects being reviewed. The Chamber believes that it is fair to assume that commuters will not switch from their preferred mode to a different bus or rail service which takes longer than their current routes.

While current assessment process takes into consideration travel times, it does not seem to benchmark them against the current mode of transport rather against similar projects. In doing this, the Chamber would be concerned that projects that wouldn't achieve the modal shift objective would go through.

Deliverability
The Chamber supports the work of the NTA to determine which of the projects has the best opportunity for deliverability. A large amount capital doesn't disqualify what would be a better project in the long term. Sequential improvements (e.g. the creation of new QBCs to be upgraded to LUAS routes in future) should be an essential part of an integrated plan.

Independent cost-benefit analyses
In the past, Dublin Chamber has encountered difficulty in sourcing independent and transparent cost benefit analyses for various proposed transport projects. Too often, the relevant figures are compiled by the very company competing to implement the scheme in question, which may lead to certain biases entering the data.

As such, Dublin Chamber recommends that in the assessment and appraisal of all transport proposals, the following information be made publicly available:

- The value of the project in terms of global competitiveness (further to the point made above regarding economic importance);
- Capacity volumes for each route on a passenger per direction per hour (ppdph) basis with expected minimum and maximum volume. Catchment area is not a sufficient indicator;
- The costs of construction and disruption (e.g. proposed Swiftway stations which could reduce road space, footpath space etc.).

Reducing the "true cost" of commuting
The Siemens report mentioned above also tried to account for the "true cost of commuting", that is, taking in to consideration all aspects of a person's journey, including:

- The value of time
- Dwell times
- Fare
- Crowding levels
- Ease of using the network
- Service reliability
- User functionality

The GDA strategy should aim to reduce this overall cost.

Smart technology & transport
Investing in new capacity-generating infrastructure is not the only way to realise benefits. The NTA can also harness technology to maximize the potential of the existing system. For example, the NTA should build on the success of the Leap Card through further integration and measures to improve ease-of-use and competitive fares. Equally, there is major scope for improvement of the real-time passenger information service for buses.

Short term measures and maximising existing infrastructure
In developing a fully integrated transport system, the NTA should aim to maximise the potential of existing infrastructure. Small upgrades and improved integrated planning could increase load on many pieces of infrastructure. For example, the Port Tunnel has spare capacity and measures including live real-time pricing could maximise use without affecting priority port traffic.

Conclusion

In this submission, the Chamber has laid out its overarching objective of an integrated transport system for the Greater Dublin Area that protects and boosts the city's competitiveness. The main recommendations are summarised as follows:

- Increased investment is required to deliver an improved system, such that the capital funding plan for Dublin is in line with other major cities across Europe.

- The potential for modal shift from private car should be a top priority for all projects. Improved journey times to and from Dublin city centre must also be a key priority.

- Detailed capacity studies must accompany proposed projects such that informed decisions can be made.