

Speech to Dublin Chamber on transport strategy for Dublin by the Minister for Transport, Tourism and Sport, Paschal Donohoe TD

Check Against Delivery

Good morning everyone – I am delighted to be here today to talk about some issues relating to transport in Dublin and the developments which will prepare the ground for the future shape of our transport network.

One of the good news stories over the past few months has been the increased pace of the economic recovery.

The choices made by this Government and the sacrifices made by the Irish people have driven this shift. Trends across the main indicators are positive. The recently published Dublin Economic Monitor shows that;

- Dublin's unemployment rate continues to improve, and is now 8.9%, down from a peak of 13%, with services employment (which dominates the economy of the capital) now back to peak levels.
- The total Dublin labour market stands at 585,000 – up 17% on the previous year.
- Office vacancy rates in the south city are back down to peak levels.
- Consumer sentiment in Dublin, as measured by the Dublin KBC/ESRI Consumer Sentiment Index, is now at a record high.

THE NEED TO INVEST

However, this renewed economic growth brings its own challenges as infrastructure investment and economic performance are inter-dependent. One of the most stark and striking statistics I have come across in my short time in this role is that it is estimated that by 2023, there will be an additional 50,000 people commuting into Dublin city every day.

If these were to travel by private car, it would mean 40,000 extra car journeys and we would need to build 40 new multi-story car parks in the centre of Dublin to deal with capacity.

This is neither desirable nor practical. For that reason, we must develop an integrated, cost effective transport strategy for the Greater Dublin Area (GDA) that helps people get to where they need to go, and helps the economy to grow and provide jobs.

An efficient and fit-for-purpose transport system facilitates and supports economic growth but the availability of Exchequer investment for the transport system is inherently dependent on economic performance.

At no time was that dependency more apparent than over the past five years.

Historically, Ireland has invested just over 1.1% of GDP annually on average in land transport. Between 1999 and 2011 the average level grew to 1.4% of GDP as significant improvements were made to the network, most notably the construction of our motorway network.

By 2012, however, this had fallen to 0.7% and has fallen further since.

At this moment we are investing in our system at a level well below what we normally do despite the increased pressures that we are encountering.

Based on studies carried out by my Department, the 'steady state' cost of just maintaining our transport system was estimated to be €1.3 billion of Exchequer funds annually.

In 2015 total Exchequer investment on land transport amounts to around €1 billion meaning there is a €300 million gap to just keep things as they are, without any investment in additional capacity.

INVESTING IN THE INFRASTRUCTURE WE HAVE

Investment in our public transport system is vital to support a growing economy. In line with a general reduction in Exchequer spending, the level of funding available for public transport has been significantly reduced in recent years.

Under the next capital plan to 2020 which the Government will finalise before the summer, I expect to see increases being provided on an incremental basis.

The priorities under the current capital plan are to protect investment made to date, to maintain safety standards and to progress affordable projects that are already under way, such as LUAS Cross City which add value to the existing network.

LUAS Cross City, which I believe will be hugely beneficial for Dublin is on schedule to open in late 2017.

Funds have also been made available for the on-going development of smarter technologies such as the Leap card, Real Time Passenger Information (RTPI) and the National Journey Planner.

These projects are helping to make public transport more attractive and support a modal shift from the private car to more sustainable transport modes, an essential response in urban areas.

INVESTING IN NEW INFRASTRUCTURE

Beyond maintaining and improving what we have, we must think about what new infrastructure Dublin needs for the future.

In preparation for the next capital plan, the public transport requirements for the GDA are currently under review. Specifically, I expect to have a report shortly from the NTA on the review of the Fingal/North Dublin corridor.

That output will then require careful consideration in tandem with other analyses being undertaken, including the updating of a business case for the DART Underground project and the work being carried out by the NTA in the preparation of a draft Transport Strategy for the GDA.

If any major project is prioritised then the cost and availability of funding will be a key determinant of timing of delivery. I would hope to include funding to progress at least the planning and design in the capital plan.

Any additional funds in the immediate term will be prioritised to improve performance and increase capacity of bus services. This will include funding to increase bus fleets, for additional bus lanes and for other bus priority measures.

I am also committing funds to open the Phoenix Park Tunnel in 2016 to bring some scheduled passenger services on the Kildare Line to Connolly Station, to improve the DART service by increasing frequency and capacity, to build additional and improve existing cycle lanes. I also plan to continue with the smart technological upgrades which enhance public transport.

I have also asked the NTA to work with the NRA and the four local authorities in the Dublin Area to prepare a report on congestion and to outline actions and investment required to address the issue.

NATIONAL AVIATION POLICY

While I appreciate this briefing is on a transport strategy for the Greater Dublin Area, it would be remiss of me not to mention other areas of transport policy which have an impact on Dublin, and feed into the network.

Aviation is one such sector.

I'm glad to say that in line with our very healthy economic recovery, the aviation sector in Ireland is also growing strongly. Again, citing the latest Dublin Economic Monitor, we see Dublin Airport arrivals returning to peak levels, with total arrivals in December of last year at just shy of 1 million – a number not seen since early 2008.

This is consistent with our view of Dublin Airport developing as an international hub for new routes and newly developing aviation and tourist destinations.

The Government recognises the importance of having a clear policy framework in place that will create the right conditions for a growing industry. With that in mind, the process to develop a new National Aviation Policy commenced at a conference hosted by the Department and the Irish Aviation Authority (IAA) in December 2012.

Following an extensive public consultation process in 2013, covering all elements of aviation policy the draft National Aviation Policy was published last year and the final policy will be published in the near future.

A key objective of the new policy will be to help ensure Ireland's existing levels of connectivity are maintained and to encourage new routes into the future.

Future connectivity is of course among the issues that the Government is examining in the context of the current potential offer for Aer Lingus from IAG and the potential sale of the Government's minority shareholding.

It wouldn't be appropriate for me to go into the details here but I will say that Ireland has benefited greatly from the high levels of competition and connectivity currently provided in the market for air services in and out of the country and maintaining these benefits is a key issue for the Government in relation to the future of the State's shareholding in Aer Lingus.

The Government also considers an open and competitive aviation sector to be the best mechanism to meet the challenges inherent in the aviation industry and strongly supports the maintenance of an open aviation market.

NATIONAL PORTS POLICY

Maritime is another key sector to the Irish economy and, in terms of our ports, I think 2015 is going to be a very important year.

Firstly, I will shortly publish the new Bill which will provide for the transfer to local authority control of the five Ports of Regional Significance; Drogheda, Dún Laoghaire, Galway, New Ross and Wicklow. Enactment of this Bill will be an important milestone in National Ports Policy and my officials are working closely with the ports and local authorities in question.

Secondly, all three of our Ports of National Significance are hoping that 2015 marks the start of a prolonged period of infrastructure improvements and developments.

You will be familiar with the proposed development of the Alexandra Basin in Dublin Port as part of the company's masterplan to more than double its throughput from about 29 million tonnes in 2013 to 60 million tonnes in 2040.

This is against the current backdrop of the Port having recovered all tonnage lost during the economic crash with throughput now back to peak levels. Forty per cent of port traffic by weight comes through Dublin Port.

The implications of this for our road network, particularly the port tunnel and M50 are obvious.

I am also working closely with the Dun Laoghaire Harbour Company to develop a sustainable future for their port in response to recent challenges and changes.

As with the economy at large, we're going to see our ports shift from recovery mode to growth mode. This means that we need to ensure that our ports are positioned to provide the type of port capacity we require and that their growth is catered for in a joined-up policy approach that ensures the rest of our transport network can deal with that growth.

CONCLUSION

To conclude, the Irish economy is facing a bright future. That bright future, however, brings with it its own challenges. Unless we invest in transport, and invest wisely, that economic growth could be blown off course as bottlenecks and other pressures become too much to bear.

But that is why we are here – to discuss the challenges and how best to overcome them.

Thank you again for the invitation to address you today and I look forward to any questions that you might want to discuss.

ENDS

Also available online - <http://paschal-donohoe.ie/speech-to-dublin-chambers-on-transport-strategy-for-dublin-by-the-minister-for-transport-tourism-and-sport-paschal-donohoe-td/sport-paschal-donohoe-td/>