

SUBMISSION FROM THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT IN IRELAND TO THE PUBLIC CONSULTATION ON THE DEPARTMENT OF TRANSPORT, TOURISM AND SPORT'S STATEMENT OF STRATEGY 2017-2019

KEY POINTS

The overarching priorities for the Department over the next three years should be:

- Investment
- Brexit
- Climate change.

A longer term policy framework is required that the three year timeframe provided by the Statement of Strategy. Consideration should therefore be given to the preparation of a White Paper on Transport Policy which would bring together and integrate the diverse strands of transport policy, update *Smarter Travel*, address the review of public transport policy promised in the Programme for Government and develop a coherent overall land transport policy, not distinct and disjointed policies for roads and public transport.

The Department should publish the promised national sustainable and competitive freight strategy in 2017 and this should address the future role of rail freight in a definitive way.

The Department and its agencies should renew their resolve to implement the actions proposed in the Road Safety Strategy and ensure that adequate resources are made available to support enforcement, education and promotion.

The Department should consider how to progress its longer term objective of establishing Cork as an independent airport and ensure that there is clarity on the precise future role envisaged for regional airports.

Pathways for the future development of both Waterford and Rosslare ports should be identified. A more robust performance measurement regime for the Tier 1 and Tier 2 ports should be introduced at the earliest possible date. The review of port capacity currently planned for 2018 might be brought forward given renewed growth in trade and the long lead time for major new infrastructure.

The interaction between land use and transport is a key consideration in spatial policy and practice and should be adequately addressed in the new Statement of Strategy.

The Statement of Strategy should set out the Department's intentions regarding research, data collection and analysis for the transport and logistics sector.

The quality of output and outcome measurement should be improved.

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Introduction

The Chartered Institute of Logistics and Transport in Ireland ("the Institute") is the independent professional body for people engaged in logistics and all modes of transport. The Institute is part of an international body with over 30,000 members worldwide. As a professional body, the Institute does not lobby on behalf of any sectoral interest, but seeks to take an independent, objective and considered view on matters of public policy.

The Institute welcomes the opportunity to make an input into the new Statement of Strategy for the Department of Transport, Tourism and Sport.

Overarching Priorities

The Institute recommends that the overarching priorities for the Department over the next three years should be:

- Investment
- Brexit
- Climate change.

Investment

The Increased transport investment announced in the Government's new Capital Plan *Building on Recovery* is most welcome, as is the commitment in the Programme for Government to further increase capital investment and bring forward the mid-term review of the Capital Plan itself.

The new Capital Plan provides for only very modest increases in capital expenditure on transport in the early years and is strongly back-loaded, with 40% of the total expenditure to take place in the final two years of seven. Traffic congestion has already returned in urban areas and on major roads such as the M50 as the economy grows again and employment increases. There was substantial under-investment in transport during the economic downturn and significant damage to infrastructure as a result of severe weather in successive winters. The investment backlogs arising from these causes have not yet been redressed.

The funding commitments in the Capital Plan have to be seen in the context of the analysis in the strategic framework for investment in land transport *Investing in our Transport Future*. This stated: “Restoring transport investment levels to our historic long-run average of 1.1% to 1.15% of GDP would equate to annual investment of over €2 billion, based on 2014 GDP.” It also said that a conservative estimate of steady state maintenance and renewal costs was €1.6 billion per annum, €1.3 billion of which would come from the Exchequer. This is the amount we should be spending annually to maintain and renew our existing transport network so as to keep it in a satisfactory state. Based on the figures in the Capital Plan, it will be 2020 before spending on steady state maintenance and renewal reaches the required level. This figure takes no account of the substantial expenditure backlog that has built up since 2009 or of the need for new investment to deal with growth in demand for travel and increased congestion.

The new Statement of Strategy should ensure that the necessary work is undertaken to make a convincing case to Government for additional investment in transport. This case has to reflect the following considerations:

- Transport appears to no longer be the priority for investment it was for a short period in the 2000s. Areas like housing and water services appear to warrant higher Government priority and work is required to re-prioritise transport investment.
- There is a mistaken impression, which needs to be firmly corrected, that transport is no longer in need of major investment, given the large spending in the 2000s on the motorway network and the renewal of the railways.
- Adequate Exchequer spending is required to maintain the transport network in a satisfactory steady state. This needs an annual Exchequer expenditure of €1.3 billion plus some additional spending to redress the backlogs which have developed since 2009.
- There is also an urgent need for new investment to address both growing travel demand and increased congestion.
- There should be greater front-loading of capital funding than is provided for in the current Capital Plan. In particular, it is necessary now to invest in urgent measures to tackle congestion, promote bus-based public transport (including Bus Rapid Transit) and provide adequate funding for project planning and design so as to ensure that sufficient priority projects are ready to go to construction quickly once the necessary funding becomes available later in the Plan period.

The Institute will address the need for investment in greater detail in a submission it is currently preparing as an input to Budget 2017 and the mid-term review of the Capital Plan.

Brexit

The recent decision by the people of the United Kingdom to leave the European Union is a major concern for Ireland. This decision has potentially serious implications for the free movement of both people and goods. The Statement of Strategy should recognise this and include adequate provision for an early and thorough assessment of the implications of Brexit for the transport, logistics and supply chain sector. It is critical that we have a full understanding of the potential problems and a clearly thought through national position on the logistics and transport sector in Ireland which provides a sound basis for influencing the negotiating strategies of both the EU and the UK.

A very large proportion of Ireland's merchandise trade is either with the United Kingdom or uses the landbridge through Britain. There are significant implications for the movement of people and goods across the land border with Northern Ireland which will now become an EU external border. The future of the Common Travel Area raises issues for passenger movements by air and sea and across the land border. There is a vast array of EU economic and technical rules governing the transport and logistics sector covering, for example, liberalised aviation and freight markets, safety and security, driving and working times, regulation of the railway market and international bus services. It is unclear whether or in what precise form these extensive rules will continue to be applied by the UK and what the implications for Ireland would be if they were not.

The Institute would welcome the opportunity to work with the Department in assessing the implications of Brexit for our sector.

Climate Change

Transport is acknowledged to be a major contributor to greenhouse gas emissions in Ireland and it is important that the Statement of Strategy addresses this issue in a substantive way. It is notable that climate change did not even warrant a section heading in the existing Strategy. During the COP21 negotiations in Paris at the end of last year the Irish position on the implications for agriculture of emerging climate change proposals were clearly articulated. However there appears to be no equivalent assessment of the implications for transport of achieving the overall national emissions reductions required by EU law and international obligations. *Smarter Travel* was published in 2009 and should be updated to reflect the new realities, including the impact of the severe economic downturn and renewed growth, the continuing constraints on the public finances and developments in the transport sector. There are also a range of commitments arising from recent climate change legislation and the Government Programme which need to be reflected in the new Statement of Strategy. These include the publication of a climate change adaptation plan.

Taking a Longer Term Perspective

A Statement of Strategy which covers a three year period is a relatively short term document and there is therefore a need to provide a longer term policy framework within which each Strategy Statement sits. The Department has made a useful start in developing this longer term policy perspective with the publication of the updated National Ports Policy, the Maritime Safety Strategy, the National Aviation Policy and the Strategic Framework for Investment in Land Transport. These policy initiatives are welcome and are strongly supported by the Institute. However consideration should be given to the preparation of a White Paper on Transport Policy which would bring together and integrate the diverse strands of transport policy. It would also provide a useful opportunity to update *Smarter Travel*, as recommended earlier, to reflect the changed circumstances since it was originally published and restore sustainability to the forefront of the policy debate. It would also address the review of public transport policy promised in the Programme for Government. There is a particular need to integrate the various dimensions of land transport policy. At present roads policy and public transport policy are dealt with separately and the interactions between them are not adequately addressed in existing public policy.

Land Transport

As mentioned already, the new Statement of Strategy needs to include provision for the development of a coherent overall land transport policy, not distinct and disjointed policies for roads and public transport.

The Statement of Strategy should provide greater clarity on the purpose and content of the review of public transport policy proposed in the Programme for Government. This should include the review of rail policy promised in *Investing in our Transport Future*.

In addition to capital investment, there is also a need to increase spending on public service obligation support for public transport services. The extra funding provided in Budget 2016 is most welcome but it only goes a small way to redress the severe cuts in expenditure during the economic downturn. An increase in public transport services is essential to addressing both urban congestion and our climate change obligations.

The Institute welcomed the commitment in the current Statement of Strategy to publish a national sustainable and competitive freight strategy and strongly urges that this work be brought to fruition during 2017. There has been a dearth of public policy on freight for many decades and it is important that this deficiency is addressed without delay. However it should be dealt with in a comprehensive way and in the wider context of an overall national policy on logistics and supply chain management, of which freight is only a component part.

There is a pressing need to set out a clear policy in relation to rail freight and multi-modal transport. This policy should explain their future role in the overall transport and logistics chain and set what Government intervention is proposed to support that role.

The Institute would welcome a commitment in the new Statement of Strategy to extend road transport operator licensing to own-account road freight operators. This would help enforcement and ensure a level playing field in the sector. There is also a need for a comprehensive review of the existing training and examination arrangements for the certificate of professional competence in the transport sector.

Road safety has re-emerged as a concern following the successes of recent years. The number of fatalities has begun to grow again after a period which saw a sustained downward trend. The Institute supports the approach outlined in the current Road Safety Strategy and urges the Department and the various agencies involved to renew their resolve to implement the actions proposed therein and to ensure that adequate resources are made available to support enforcement, education and promotion.

Aviation

The National Aviation Policy should continue to provide the framework for actions to be included in the new Statement of Strategy. The Institute suggests that the Strategy address the following issues in particular:

- The Department should consider how to progress its longer term objective of establishing Cork as an independent airport.
- There is a continuing need for greater clarity on the precise role envisaged for regional airports, how this integrates with wider land transport policy and how it is proposed to ensure a commercial future for these airports.
- There needs to be greater clarity on the proposed restructuring of the Irish Aviation Authority and the Commission for Aviation Regulation into regulatory and service delivery bodies. The Institute has previously emphasised that this needs to be handled with great care to ensure that there is no disruption to the safety regime or reduction of service standards. The IAA currently has full freedom, as a commercial State body, to recruit and remunerate staff. Any new body established should continue to have this freedom and not be subject to detailed controls on staff numbers and pay.
- Decisions are required on the recently published review of the regulatory regime for airport charges.
- The development of the second runway at Dublin Airport needs to be progressed given the strong growth in traffic now being experienced.

Maritime Transport

The updated National Ports Policy and the Maritime Safety Strategy, together with the recommendations of the Competition Authority's study of competition in the ports sector, will continue to provide the policy context for the actions to be included in the new Statement of Strategy.

In line with the commitments in the National Ports Policy, the Institute calls for early action to definitively identify pathways for the future development of both Waterford and Rosslare ports. This would give clarity to both ports as to their future role.

We would like to see the introduction of a more robust performance measurement regime for the Tier 1 and Tier 2 ports at the earliest possible date. An end 2016 deadline was proposed in the National Ports Policy but regrettably this was delayed to 2017 in the current Statement of Strategy.

Consideration might be given to bringing forward the review of port capacity planned for 2018 given renewed growth in trade and the long lead time required to implement significant infrastructure projects.

The Statement of Strategy should include a commitment to undertake a comprehensive review of the international maritime conventions which have not yet been ratified and/or implemented by Ireland, leading to an early decision on when and how it proposed to proceed with implementation. The new Strategy Statement should also indicate a timetable for the commencement and implementation of the Merchant Shipping (Registration of Ships) Act 2014.

The Institute would welcome a timetable for the transfer of regional harbours to local authority control as provided for in the Harbours Act 2015.

The new Statement of Strategy should indicate what precise actions are planned to address the relevant recommendations of the Competition Authority's study on competition in the ports sector. The current Strategy contains a general reference but lacks specifics.

Transport and Land Use Planning

The current Statement of Strategy is very disappointing on transport and land use planning and this omission should be rectified in the new Strategy.

The interaction between land use and transport is a key consideration in spatial policy and practice and should be adequately addressed in the new Statement of Strategy. It should in particular consider how the Department will make an effective input to the preparation of the new National Planning Framework and to its subsequent implementation. It should set out what specific action it plans to take to implement the recommendation in the Strategic Framework for Investment in Land

Transport that regional transportation strategies should be prepared by the NTA. In the Institute's view these strategies are probably best prepared as "a key input to the regional spatial and economic strategies, to ensure that future transport investment has maximum effect and that there is optimum co-ordination between transport and wider spatial and development policies" (Framework, section 7.4). This is likely to be the most effective way of making an input to the preparation of these successor strategies to the Regional Planning Guidelines. The Department should mandate the NTA to undertake these studies and provide appropriate policy and financial guidance to underpin the work.

Research and Data Strategy

The Statement of Strategy should set out the Department's intentions regarding research, data collection and analysis for the transport and logistics sector. There have been some welcome developments which should be built upon. These developments include the publication of a Data and Statistics Strategy and improvements in data collection and analysis, particularly the publication of the CSO's Transport Omnibus, the Department's own *Transport Trends* and the NTA's Statistical Bulletins on Public Transport. The background analytical documents published with the Strategic Framework for Investment in Land Transport were also most useful.

By contrast, the position on transport research is most disappointing. Tentative moves were made some years ago to develop policy on transport research and to provide limited funding support, but they appear to have foundered even before the crisis in the public finances. As a starting point, the Department might at least commit itself in its new Statement of Strategy to a dialogue with the transport agencies, third level institutions, research institutes and professional bodies on the future development of research on transport and logistics in Ireland. This might consider what future research priorities might be, what the key data gaps are and how they might be addressed, how applied research might aid job creation and how increased funding might be leveraged from national and EU sources, industry and philanthropy. The Institute would welcome an opportunity to participate in this dialogue.

Measuring and Reporting on Performance

The performance indicators in the current Statement of Strategy are very variable in quality and coverage. Some are quite specific and quantified (for example Road Safety: "Roads fatalities less than 200 per annum"). Others are very general (e.g. Public Transport: "increased public transport share of total journeys") or little more than descriptions of the indicators to be used (e.g. Public Transport: "Availability of

benchmarked PSO Services data”). When preparing the new Statement of Strategy the Department should consider how it can improve the quality of output and outcome measurement. The Institute accepts that all actions may not be amenable to the same level of quantitative measurement at this time. However it may be useful to include a provision in the Strategy committing to further work to improve performance measurement. It may also be possible to improve the quantification of some performance measures over the period of the Strategy Statement as work is undertaken and policy clarified on specific actions which are currently at an embryonic stage.

Response to this Public Consultation

The current Statement of Strategy only contains a brief reference to the outcome of the public consultation when the Secretary General, in his introduction, thanks stakeholders for their valuable input to the consultation. The new Statement of Strategy should, at a minimum, contain an Appendix which summarises the principal issues raised in the consultation and indicate how these issues are addressed in the Strategy. Where proposals are not being accepted, it is particularly important that a brief explanation is provided of the reasons for this. Individuals and organisations put a lot of time and effort into the preparation of submissions and common courtesy demands a substantive response.

A very short timescale in the prime annual holiday period was provided for responses to the current public consultation. The consultation could have started much earlier since the statutory period for the preparation of a new Strategy commenced with the appointment of the Minister in May. The Department is also conducting a parallel consultation on the review of the regulatory regime for airport charges with a similarly tight deadline. It is unfair and unreasonable to run two important consultations in parallel, particularly in a holiday period and with very short response times.

Departmental Policy Making Capacity

A range of transport functions are delivered by agencies reporting to the Department. These include service delivery, the procurement of services and infrastructure and economic and safety regulation. These agencies have skilled and expert staff and in general do an excellent job.

Policy for the sector is the responsibility of the Minister and Department; **implementation** is the domain of the agencies. When preparing the new Statement of Strategy, the Department should consider if it has sufficient resources and appropriate expertise to determine overall policy, identify and prioritise policy objectives and put in place effective governance procedures to ensure delivery by

the agencies. If the Department does not have sufficient resources and the necessary skills it will just cede the policy ground to the agencies. It is simply not appropriate that agencies should be deciding policy by default. The Department should also have the necessary skills and expertise to represent Ireland effectively in EU legislative negotiations and at global decision making fora such as ICAO. While the expertise of the Department's agencies can be availed of in such cases, it should be under the leadership of the Department. This need not involve any duplication of resources and it may be possible to ensure that the Department has the necessary policy expertise through appropriate training and/or lateral mobility of staff between the Department and its agencies.

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