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A Fine Gael Policy Statement on Bus Competition



FINE GAEL

Executive Summary

Fine Gael believes that the bus remains the only public transport option with the short and medium term capacity to meet the growing transport needs of an increasing urban population and to provide sustainable reliable rural links. For this reason, we need to dramatically reform our bus networks to increase capacity, frequency and attractiveness as a public transport option.

- The Fine Gael model for a new bus network will be based on competitive tendering for bundles of bus routes.
- A similar model used for London has worked exceptionally well with bus ridership increasing by 68% between 1999/2000 and 2007/08. In countries such as Sweden, Denmark, Finland and Norway competition resulted in significant cost reductions.
- Fine Gael's new Irish Transport Authority (ITA) will define public transport needs, the routes and services required and to benchmark the level of public service subsidy required to operate these routes.
- The ITA at the outset will create a national transport strategy, define the bundled routes and then invite tenders for the provision of these services of routes or a geographic area (in order for operators to service profitable and PSO supported routes). Both CIE companies and private operators would be open to tender for routes in the first instance.
- Winning operators will sign a 5 year contract with the ITA to set out service standards such as frequency, cost, reliability and cleanliness. A potential 2 year performance related extension will be available to operators.
- The ITA will take ownership of State owned bus stations and city centre depots. Upon signing of transport contracts the ITA would then allow bus companies use stations and depot services as part of their service provision contract.
- The newly established ITA should have primary responsibility in developing Park & Ride facilities.
- An integrated ticketing and pricing structure along with real time transit information is the hallmark of a modern efficient transport network and work on these projects should be prioritised after years of inaction and delay.
- Fine Gael will amend planning laws to make local transport plans an integral part of all Councils' Development Plans.

While we fully support the principle of one regulation body for public transport in Ireland, Fine Gael is opposing the Public Transport Regulation Bill 2009 as it maintains a veil of protection around CIE and does not offer any real competition in the Irish bus market.

A Fine Gael policy statement on Bus Competition

The catastrophic mismanagement of the economy matched with absolutely no reform of bus services has meant that our current bus network is in the process of cutting routes, firing staff and taking 120 buses off the road. Ireland can no longer afford the sheltered monopolies of the state bus companies and wide scale reform needs to emerge from the current fiscal crisis.

While the current state of the public finances may result in longer-term infrastructural development being delayed, improvements in the bus network can be made immediately to meet the challenges of an expanding city region in the east and the needs of rural dwellers elsewhere. Only a strong Government with a mandated policy focus can use the current crisis as an opportunity to put public transport back on track. We want a system where bus operators will be eager for custom and no longer have paying passengers left at the side of the road. This will be a lasting legacy of the next Fine Gael Government.

Public Transport provision

The provision of public transport services in Ireland is still largely dominated by the State transport company CIE. In the Dublin region Dublin Bus still controls the vast majority of the Dublin bus market as outdated bus licensing law maintains its historical monopoly. However, Dublin Bus has not been able to increase or change its services to meet the demands of a growing city region.

Over 200,000 of all new homes build in the state from 2000 to 2008¹ were in the Greater Dublin Area yet the number of buses in the Dublin Bus fleet remained almost static. In 2000 the total number of buses in the fleet stood at 1,039 and was only marginally increased in 2007 to 1,182 buses. During these boom times there were still newly developed areas in Dublin such as Clondalkin and Swords that still lack a frequent or reliable bus service. More critically, Dublin Bus are now in the process of reducing the number of buses on the road by 120 due to financial difficulties. This will bring Dublin Bus services back to 2000 levels even though the demographics of the city have dramatically changed since then. While the number of buses at the end of this year will be similar to the start of the decade the same cannot be said for the amount of taxpayers money paid in subsidy to Dublin Bus. The Public Service Obligation (PSO) to Dublin Bus in 1999 was €16.8 million which has increased to €2 million in 2009.

	1999		2009	
	Subvention	fleet	Subvention	fleet
Dublin Bus	€16.8m	987	€2.4m	1,028 (120 cutbacks included)
Bus Eireann	€7.4m	630	€4.9	700

¹ CSO Department of Environment Statistics, housing completions by local authority.

The effects of urban sprawl were amplified by the inefficient use of the Dublin Bus fleet to which the 2009 Deloitte report claimed could act as a barrier to use. In essence Dublin Bus failed to adopt or alter routes to meet the changing needs of the city. What Dublin needs is better route planning and network mapping to ensure that routes connect areas of high population density and places of employment.

While the Luas has been a success story the city is still reliant on Dublin Bus, which still carries over 70% of public transport passengers in the city centre area.

Increased car use

The result of a growing city with a stagnant public transport service has been the explosion of car usage in recent years. From 2002 to 2006 alone there has been a 22% increase in the number of persons driving to work by car, lorry or van.² In 2006 in the Dublin Region³ alone only 77,092 out of 546,096 workers took the bus to work compared to the 261,154 who drove.

The simple fact is that an increasing number of people spend more time sitting in cars on congested roads commuting to and from work. The Dublin road network has proven itself to be extremely fragile with minor accidents having the potential to cause long tailbacks at rush hour. Some estimates project that congestion can reduce economic growth by up to 2.5%, which has obvious implications for the Irish economy.

Environmental Impact

Urban sprawl and poor public transport leave commuters with no choice but to use their private cars. When it comes to greenhouse gas emissions the transport sector continues to be the dominant growth sector. Latest figures from the EPA show that carbon emissions in 2007 increased by 650,000 tonnes or 4.7% higher compared with 2006. Emissions increased by 178% between 1990 and 2007.⁴

Road transport accounts for 97% of the transport sector emissions. As transport accounts for 20.8% of all emissions in Ireland we will never be able to meet ambitious international emission reduction targets if Ireland remains dependant on private cars. An efficient and reliable public transport service is the only way to encourage a greater modal shift away from private cars in the short term.

² 2002 and 2006 Census.

³ 2006 Census, Dublin Region as classified by area covered by the Dublin Regional Authority as apposed to the Greater Dublin Area.

⁴ Ireland's Greenhouse Gas Emissions in 2007, EPA, Published 15th April 2009

The Fine Gael Approach

Reinvigorate Bus Transport with Tough Competition

Fine Gael bus competition policy is well established. We believe that the bus remains the only public transport option with the short and medium term capacity to meet the growing transport needs of an increasing urban population and to provide sustainable reliable rural links. For this reason we need to dramatically reform our bus networks to increase capacity, frequency and attractiveness as a public transport option.

The Fine Gael model for a new bus network will be based on competitive tendering for bundles of bus routes. It is this model that should be used for an Irish Transport Authority. In addition, tendering should be transparent, fair and equitable and encourages genuine competition. It must also provide an opportunity for greater fuel efficiency and alternative technologies to be stipulated as part of service contracts, in anticipation of the Directive on Clean and Energy-Efficient Road Transport Vehicles⁵.

A similar model used for London has worked exceptionally well with bus ridership having increased by 68% between 1999/2000 and 2007/08 with reductions in costs achieved.⁶ In countries such as Sweden, Denmark, Finland and Norway where competition has been implemented which resulted in significant cost reductions.⁷

The long awaited Dublin Transport Authority was due to be operational in 2009 after legislation to establish it was passed in July 2008. The DTA was to act as a transport regulator for the Dublin bus market and to assess the transport needs of Dublin and draw up a plan for routes and transport integration. However, this legislation has significant flaws - upon establishment of the DTA it will protect Dublin Bus and Bus Eireann routes in the GDA for 5 years. This is unacceptable and Fine Gael believes that all bus routes, not only in the GDA, should be open to competition immediately in order to make quick process in increasing bus frequency and capacity.

How Competitive Tendering Will Work:

1. Fine Gael's new Irish Transport Authority (ITA) will define public transport needs, the routes and services required and to benchmark the level of public service subsidy required to operate these routes.
2. The ITA at the outset will invite tenders for the provision of these defined services for bundles of routes or for a geographic area (in order for operators to service profitable and PSO supported routes). Both CIE companies and private operators would be open to tender for routes in the first instance.
3. As planned, winning operators will sign a 5 year contract with the ITA to set out service standards such as frequency, cost, reliability and cleanliness. A potential 2 year performance related extension will be available to operators.

⁵ http://ec.europa.eu/transport/urban/vehicles/directive/directive_en.htm

⁶ 'London's Bus Contracting and Tendering Process', Transport for London, December 2008.

⁷ Alexandersson, G., Hulten, S., Folster, S., 1998. The Effects of Competition in Swedish Local Bus services. In: Journal of Transport Economics and Policy, Volume 32, Issue 2

The Irish Transport Authority and Bus Stations and City Centre Bus Depots

To accommodate more bus transport operators in the near future an arrangement will have to be worked out for bus stations and city centre depots. Even with the current government policy there will be 5 year contracts for bus services within certain geographical areas. In the future, state companies such as Dublin Bus could find themselves with garages and depots in areas where they have few routes and services. It would be a serious competitive disadvantage if new operators had to invest in new garages and depots in order to win route contracts when potentially underused taxpayer provided depots already exist. Even then there is no guarantee that an operator would maintain a route contract when it has to be renewed.

The only viable way for full competition in the Dublin market in particular is for the Irish Transport Authority to take ownership of State owned city centre bus garages and depots. Upon signing of transport contracts the ITA would then allow bus companies use depot services as part of their service provision contract. In addition, bus stations across the country should be open for all operators to use.

Other bus market reforms

Park & Ride

The provision of park and ride facilities in Ireland has had a limited success rate. Facilities connected to light and heavy rail have been established and are operating successfully. However, it is a different story for bus based park and ride. The only existing and self-sustaining facility in Ireland is at Black Ash in Cork. There has been reluctance from the different transport stakeholders in accepting responsibility for providing bus park and ride facilities. The Dublin City Manager stated during an Oireachtas Transport Committee in 2008 that “*urban sprawl has made it [Park & Ride] difficult to implement. Suitable locations for a frequency that can be implemented effectively are difficult to find and to acquire.*”⁸ Fine Gael believes that if successful facilities can be built in Cork and in the UK then there are opportunities for success in the Greater Dublin Area. It would have to involve a proper planned approach with express routes and dedicated corridors. Only then will bus based park & ride become a more attractive option.

Experience within UK and other European countries shows that, although acceptable distances (and therefore journey times by bus) vary according to the size of the urban area concerned, all successful P & R facilities have the following characteristics:

- (i) a maximum travel distance by bus of 5km;
- (ii) a maximum journey time by bus of 15-20 minutes and
- (iii) a maximum overall P & R travel time, including journey time and average wait time, of 22.5 minutes.⁹

⁸ Joint Oireachtas Committee on Transport, January 30th 2008

⁹ TAS Partnership, 2002. Bus-based Park and Ride – A Pilot Scheme. Report to Dublin Transportation Office (DTO)

Park & Ride Development

1. Fine Gael believes that the newly established Irish Transport Authority should have primary responsibility in developing Park & Ride facilities.
2. Following adoption of its public transport plan the ITA should take advantage of current low property values and purchase sites for development as Park & Ride facilities on the major routes into major urban areas. A number of these approach points already have some QBCs such as Loughinstown and the N11, Tallaght and the N81, and Lucan and the N4.
3. The ITA will put out to tender the contract for parking companies to operate the parking services at individual Park & Ride facilities. Express services to P&R sites will be put out to tender as described under our competitive tendering proposal.
4. Park & Ride facilities should become local transport 'hubs' with some local services beginning or terminating at the facilities. The locations are in areas of high employment with business parks and industrial estates in their vicinity. However, the ITA will have a final decision on routes and locations based on transport pattern research.

Quality Bus Corridors:

The Dublin City Manager and the other Dublin county managers also stated that to encourage more people to change over to public transport that "*the bus capacity on the QBCs needs to be maximised.*"¹⁰ Evidence has shown that the QBCs have had mixed success so far. DTO monitoring reported that some QBC such as North Clondalkin and Swords showed significant declines in passenger numbers. Poor performing QBCs also had significantly higher average waiting time between buses than were originally targeted. To make matters worse, bus capacity has been decreased even further due to Dublin Bus cutbacks. It is clear that the only way of dramatically increasing bus capacity on the quality bus corridors is to open up the Dublin bus market to full competition and to invest in Park & Ride facilities at the termination of these corridors as we have already outlined in the policy.

The existing QBCs provide clear examples of where additional buses are needed. According to the 2007 Dublin Transportation Office QBC Monitoring Report the **North Clondalkin QBC** had much higher than targeted average waiting times for a bus. It had targeted 3 minutes for average peak time waiting whereas the actual waiting time was 7 minutes 35 seconds. The **Rock Road QBC** had a target time of 3 minutes average waiting time for a bus whereas the actual average waiting time was 6 minutes, double that of the target. The **Swords QBC** found that the average off-peak waiting time was 8 minutes and 8 seconds which is over 4 minutes more than planned waiting time. For people to commit to public transport use they need a reliable and frequent service. We believe that these inconsistent waiting times are a big factor in falling passenger numbers on a number of these QBCs.

Therefore one of the main criteria to be assessed when any bus service contract is up for renewal is how an operator uses publicly paid infrastructure such as quality bus

¹⁰ Joint Oireachtas Committee on Transport, January 30th 2008

corridors. In the best interests of getting good value for money for the taxpayer a bus operator should be meeting specific targets on frequency on quality bus corridors. Any operator failing to meet these targets will be in danger of not winning a new contract for the same services.

Integrated Ticketing

One of the worst examples of Fianna Fail failing to get the simplest of transport reforms correct has been the farce that is integrated ticketing. First proposed by an Oireachtas Transport Committee in the late 1990s it was first approved by Minister for Public Enterprise Mary O'Rourke in November 2000. Nine years later Dublin Bus and Luas have their own 'smart cards' but a full integrated ticket for Dublin Bus, Luas, Dart, and Bus Eireann will not in existence until at least 2011. In the meantime, commuters continue to suffer inefficient and disconnected public transport pricing regimes.

A fully functioning integrated ticketing and pricing structure is the hallmark of a modern efficient transport network. Any redesign of the bus network will include express services, high speed QBC routes, orbital routes and feeder routes that will require a high degree of integration with other transport services and their pricing structures.

Real Time Transit Information

Another failure of Government and the key transport stakeholders has been not providing real time transit information on bus networks. A common complaint from bus users has been the unreliability of existing bus time tables and not knowing when a bus would arrive at a stop. The new ITA should also take over responsibly for the development and roll out of real time passenger information at select bus stops across the country.

Local Transport Plans

Fine Gael will make local transport plans an integral part of all Councils Development Plans. As outlined in our Local Government Reform Policy the transport needs of local communities have been ignored for far too long as new estates, developments and roads were built without any concern for the public transport needs of the people. Communities have suffered poor transport links as a result and families have been put under unnecessary pressure as parents spend ever more time commuting. This intolerable situation cannot continue and immediate changes are needed in planning laws to address transport deficits.

Fine Gael proposes to amend planning laws:

1. To ensure all local authorities to develop a transport plan in conjunction with their County/City Development Plans, and Local Areas Plans. A transport plan must make provision for transport infrastructure and state clearly how local communities can access public transport. The legislation setting up the Dublin Transport Authority has begun this process but it only applies to local

authorities within the Greater Dublin Area. The government's latest Bill makes no reference to land use planning.

2. To ensure any large planning applications in the country must include a transportation plan that involves provision for access to public and private transport.
3. To use the provisions under the Strategic Environmental Assessment Directive (2001/42/EC) to ensure that Development Plans, LAPs and local transport plans are subject to ex-ante evaluation to assess their potential impact on traffic and the local environment. A template for carbon-proofing development plans could be developed and full sustainability appraisal be mandated.