Rail Consultation National Transport Authority Dún Scéine Iveagh court Dublin 2

18 January 2017

Cork Chamber Submission in respect of The Role of Rail in Ireland and Funding its Delivery

Cork Chamber of Commerce is the leading business representation organisation in the South of Ireland, representing over 1,100 members employing over 100,000 people in the region. Cork Chamber has a mandate to influence policy at both a regional and national level to ensure a business environment and economic landscape that is conducive to the operations and needs of our members.

Cork Chamber welcomes the opportunity to inform the National Transport Authority (NTA) on the critical economic and social importance of Irish Rail in advance of the NTA preparing its recommendations to the Minister for Transport, Tourism and Sport on the optimal funding arrangements for the Irish rail network.

We also congratulate Irish Rail on achieving efficiencies in a challenging funding environment, and not least its success in turning around negative development into a positive growth story of increasing passengers and numbers of rail journeys undertaken.

Below, we set out our comments and views on the future role of rail in Ireland. We have chosen to focus our answers on the questions specifically relevant to Cork Chamber using the questionnaire template provided in the consultation document.

Should you wish to discuss any of these proposals in further please contact Sarah Thatt-Foley, Policy & Research Executive at Cork Chamber on <u>sfoley@corkchamber.ie</u> or 021 453 0139.

1. What do you think is rail's particular strength in terms of its contribution to transport in Ireland

Rail transport carries unique benefits that justifies continued public investment into the rail network. As set out in the Rail Review 2016 Report, increasing the proportion of journeys undertaken by rail compared to air or road vehicles first and foremost has great environmental benefits which will support Ireland in reaching its emissions targets as well as protect our environment for future generations.

Second, rail – especially commuter services – has the potential to reduce traffic congestion in urban areas, thus improving both the air quality in cities, improve the work-life balance of commuters, and further improve economic productivity by reducing the number of unproductive hours wasted in traffic. In line with the economy returning to growth traffic congestion has become an increasing concern to both businesses and commuters. In October 2016, data from Transport Infrastructure Ireland showed how Dublin rush hour traffic now lasts up to eight hours every day. The pattern is



mirrored in Cork, where kilometre long tail backs at the city's main access points are becoming more frequent and city centre traffic is coming to a standstill at peak times. Unlike busses or cars, trains are more reliable since journey times are not affected by traffic breakdowns or growing volumes of cars on the road. Railway transport furthermore carries added safety benefits in that accidents are much less common. Consequently, the availability of rail services is increasingly important from a local commute as well as a wider national transport perspective.

Third, rail performs a critical role for moving freight: a role which we expect will continue to grow and which will be needed to support the expansions of our national ports including the expansion and relocation of the Port of Cork to Ringaskiddy. In this regard, our rail network plays a central part in growing Ireland's international trade.

Fourth, accessibility to rail services supports important community objectives of social inclusiveness and accessibility for both Irish residents and visitors to the country.

2. How important do you consider the environmental contribution of rail to be relative to other transport modes?

The environmental benefits of rail relative to other transport modes are well documented. As outlined in the Rail Review 2016 Report: "During 2010, the average rail passenger km in Ireland created just 60g of greenhouse gases, vs. 210g for road vehicles. If all rail journeys were made by car it would increase greenhouse gas (GHGs) emissions by around 240,000 tonnes, equivalent to 30,000 households".

Cork Chamber fully supports efforts to incentivise more environmentally friendly journey modes and we note that Ireland, especially our cities, can become much greener by achieving modal shifts amongst commuters. We believe that rail should form a central part in our future transportation – both nationally and at urban level - and welcome any moves from either Irish Rail or Government to extend the provision of rail in our main urban areas.

4. Rail could play a much greater role for commuter travel in Dublin (in 2011 7% of commuting to work or education was by rail) and in Cork (1% in 2011). What policies and measures are required in your view to increase use of rail by commuters in these areas?

Accessibility, affordability, frequency and convenience are the most important factors determining whether or not to avail of public transport for commuting purposes.

In this respect we welcome the decision by Transport Infrastructure Ireland to extend leap card zoning to include the commuter towns of Cobh and Midleton. Equally, the identification of these stations as being commuter towns has greatly improved the affordability of using rail for commuting purposes.

Although we await the most recent Census figures, Cork Chamber believes the concentration of commuters using public transport in Cork currently is greater than 1%. Recently, we have witnessed a change in the Cork labour market with more businesses making conscious decisions to locate their offices in the centre of Cork City in order to facilitate employees using public transport and bicycles to commute to work. This change corresponds with a global trend of a growing desire amongst



employees to work in centrally located workplaces with ease of access to social and cultural offerings and public transport options.

In the past year, Cork has hence witnessed a 6.6% growth in the number of passenger journeys taken on public busses, new bus fleet capacity, new bus stops and improvement to service frequencies. In fact, Cork City has since 2012 had the fastest growing bus service in the country.¹ Consequently, it would be reasonable to assume that the number of train journeys taking to the city has seen a similar increase.

With a changing labour market, strong population growth, an increasing industry base in Cork City combined with a policy push to incentivise more people using sustainable transport modes, we expect that Cork will continue to see a natural increase in the number of rail commuters in the future.

However, there are a number of changes which should be introduced by Irish Rail in order to maximise the opportunity to grow commuter travel. In order to maximise the value of the railway network already servicing Cork City, we suggest that Mallow is identified as a commuter station to improve the affordability and attractiveness of rail. We note that Mallow is located as close to Cork as Kilcock and Naas are to Dublin, both of which were recently included in the Short Hop Commuter Zone resulting in great fare reductions for passengers.

Similarly, the provision of free and secure bicycle and car parking at commuter stations has a strong impact on ensuring rail as an attractive alternative to undertaking a commute by car. Significant investment in parking is needed, particularly at Midleton station, in order to grow commuter rail in Cork. Little Island, which is served by both the Midleton and Cobh commuter services, has one of the highest concentration of industry in Cork County with 13,000 people working in the area. Despite it taking up to an hour to access or leave Little Island in rush hour traffic and despite the availability of a train station, not many chose to commute to Little Island by train. If parking facilities were improved at Midleton and Cobh stations so that cars could easily and freely be dropped off, Cork Chamber believes there would be great potential to develop rail as a real commuter service in Cork, especially for the many people who travel to Little Island and Cork City for work on a daily basis.

In seeking to grow the number of commuters by rail in Cork it is also important to ensure joint-upthinking between Irish Rail, the NTA and local planners. We note how the majority of new areas zoned for residential housing under Cork County's draft Local Area Plans are based around the existing rail way line which is to be welcomed. Going forward, we propose that Irish Rail ensure a close working relationship with An Bord Pleanála and urban planners so as to ensure that the rail network is capable of meeting future demand

Given that many of our urban train stations are located slightly outside the city centre (this applies to both Cork and Dublin) interconnectivity between busses at railway services also plays a key role in successfully growing the number of commuter passengers. In this respect, we welcome the decision to upgrade and relocate the entry point to Kent Station which will enable better connectivity with busses. There must be a cognisance amongst Irish Rail of developments in Bus Éireann to ensure smooth interlinking of services. One example would be to facilitate a bus directly from Cork Kent

¹ <u>http://www.buseireann.ie/news.php?id=2221&month=Dec</u>



Station to Cork Airport and the Airport Business Park (a strong employment hub) without railway passengers having to walk across the River Lee to the bus station.

In parallel, we believe that Irish Rail should facilitate users to bring on-board their bicycles free of charge also during rush hour to ease the onward journey.

Finally, we believe there is scope for Irish Rail to better market the availability / cost of its commuter services.

5. What initiatives do you recommend to increase rail patronage, particularly on intercity services (e.g. shorter journey times, lower fares, more frequent services)?

With traffic congestion increasing with a knock on impact on journey times by road, Cork Chamber has seen a growing preference amongst businesses in Cork to use the train for journeys to Dublin. In a December 2016 survey carried out of Cork Chamber's members it emerged that 95% of businesses in Cork currently travel to Dublin for business purposes. While the majority (80%) use private cars to travel to Dublin, another 55% of businesses also avail of the train. With no air route linking Cork and Dublin and as road journeys become slower, we foresee that more businesses will want to use the train as their preferred mode of transport.

In order to encourage wider take-up of the train we recommend that the journey time between Cork and Dublin is reduced to 2 hours whereby the train would become much more preferable to a car or bus by being an hour faster. We consider the current frequency of services to be adequate but would support further role out of the direct non-stop service. Until upgrades to the network have been undertaken to facilitate faster journeys we recommend that Irish Rail schedule a non-stop service from Dublin back to Cork in the late afternoon to promote more businesses using the intercity service.

Although frequency, time and convenience weigh stronger than cost for business travel, the cost of €80+ for a return ticket when purchased on the day of travel acts as a disincentive to using the train when travelling between Cork and Dublin which needs to be addressed.

Enhanced interconnectivity with bus services at Cork Station as explained under question 4 would also improve the attractiveness of using intercity rail services. Equally, safe parking for personal bicycles at the station would ease access to the station for more users.

Other ways of improving the business friendliness of the train which should be explored include the installation of more electricity plugs on-board to facilitate remote working and the introduction/enforcement of silent carriages that are conducive to work (separately it may be worthwhile exploring the market for family specific carriages).

6. Should fare policy include consideration of time and journey (peak/off-peak), the type of person travelling (e.g. adult/student, etc.), the booking method or timing (internet/ in station, on the day/in advance)? Why?

In the context of the cost of intercity bus journeys and the growing fuel efficiency of cars it is important that rail services are competitively priced, not least for the leisure and tourism market.



Fares should be affordable and reliable without heavy penalties for passengers who book on the same day of journey or a day in advance. Currently, a passenger wishing to book a ticket for a return journey from Dublin to Cork on the same day of journey will face a cost of more than €80. At almost three times the cost of using a bus service for the same trip we feel this price is excessive and non-conducive to encouraging wider usage of the rail network.

Consequently, Cork Chamber would be in favour of a more stable standard charging regime leaving little surprises to passengers.

We remain supportive of student and family discounts so as to encourage more people using the train. Equally, we encourage Irish Rail to continue special online campaigns for advance-bookings, particularly in connection with large events.

- 7. If funding is limited, what parts of the rail network (DART, Dublin Commuter Services, Intercity Services, Cork Commuter Services, Regional Services) do you consider should be prioritised for funding? Why?
- 9. How do you think the funding gap should be best addressed for the future? You may wish to include some or all of the following: reducing costs (through further efficiencies and/or reducing the size of the network), increasing revenues (e.g. through fare increases and/or Government taxes and/or other investments).

The figures presented in the Rail Review 2016 Report clearly outline the challenging funding environment in which Irish Rail operates. From the 3 options proposed in the consultation documents, Cork Chamber would be strongly opposed to the closure of all routes except those currently serving Dublin, Cork, Limerick and Belfast.

As set out above, the rail network fulfils important tourism, environmental and social objectives in addition to its primary purpose as a people and freight carrier. Closing all loss making routes would be short-sighted and disappointing given the historic level of public funding that has been invested in rail infrastructure and the growing need for, and emphasis on, sustainable transport modes. From a Cork perspective this is particularly true for the Cobh railway line which serves a growing cruise liner tourism market with great potential for further growth. As noted in the Rail Review:

"Cobh is served by rail, with a well-located station in the heart of the town. Statistics for the cruise season show up to 28% of cruise passengers took the train from Cobh to Cork City during their visit (IÉ). The port authority aim to increase the number of cruise ships entering the port in coming years – onward land travel by rail is regarded as part of the package to do this. The attractiveness of rail for onward travel around the region to tourists entering at Cobh would be improved by offering services to destinations beyond Kent Station in the centre of Cork. The continued support of rail and the ability to increase and adapt services is recognised by the Port authorities as critical to the continued growth of the cruise tourism industry. There is likely to be potential to further enhance the rail offering and in turn growth tourists use of rail in the wider Cork area in the short, medium and long term through the development of tourist specific rail packages"²

² <u>https://www.nationaltransport.ie/wp-</u>

content/uploads/2016/11/151116 2016 Rail Review Report Complete Online.pdf p. 22



Nevertheless, as with all public investments, we believe that funding should be prioritised in areas where most people benefit. Urbanisation trends and urban employment trends justifies that investment in our rail network predominantly is prioritised for upgrade and expansion in urban areas. From the Rail Review Report we note how Cork and Dublin make up the most used stations, the number of passengers, and the total number of journeys undertaken. Equally, 2016 census population growth figures confirm that the urban areas of Cork and South Dublin are experiencing the strongest net inward migration and it would therefore be reasonable to assume that the strongest demand for more rail connections will be in these areas. Consequently, it just and appropriate that the majority of funding available is channelled towards further service improvement in areas with the strongest population base.

Still, it is important to not lose sight of where rail has a strong potential to grow in the future. We therefore propose that current as well as future employment and population growth projections are considered when making decisions on the appropriate allocation of funding.

There may equally be areas or regions where rail does not carry many people yet underpins economic activity or where any livelihoods and future growth potential relies on having access to a rail service. This is particularly true for towns and regions with no motorway connection or regions that depend strongly on tourism. Consequently, the number of passengers should not be used as the only metric when assessing the reliance on / or importance of rail in a given area.

Yet, it appears that some regional services are loss making to an extent where their continued servicing becomes hard to justify. Should some of these routes be terminated we propose that the land and infrastructure is kept under the control of Irish Rail until such time that Irish Rail's funding environment improves. Looking across Europe we note how a number of countries, including Germany, Denmark and England, successfully have outsourced regional services to private operators. A similar solution could potentially be sought here to address Irish Rail's funding gap.

Before taking any steps to withdraw services it should also be examined whether fare reductions / better connection of busses to train stations in regional areas / a change in timings and frequencies instead could result in an uptake in passengers. Any proposed terminations should likewise be considered in the context of parallel discussions regarding the withdrawal of Expressway bus services. The overall objective must be that no town or region is left without access to public transport thus worsening rural isolation.

Overall, we note that the Exchequer has improved its financial positon substantially and we would favour that both the Capital Plan Review and forthcoming budgets steadily increase the amount of Government funding invested in sustainable transport methods.

- 10. The social benefits of rail travel justify the funding of rail by a combination of Government subsidy and fares. What is in your view the acceptable level of subsidy per person trip? Why?
- 11. Should that value differ depending on the type of geographical market serves, e.g. urban, intercity or regional/rural rail markets? Why?

As explained above it is apparent that some regional routes are loss making to such an extent that multiple hundreds of euros in public subsidies per passenger is required to maintain a rail service in the area. There comes a point where Irish Rail and the Government should question whether this



money could be better invested elsewhere in the network, and whether some loss making services effectively could be outsourced to private rail operators while maintaining ownership of the rail infrastructure.

Although Irish Rail should aim for having urban services largely self-funding and use any additional revenue to invest in further urban route development, we do feel that it is justifiable to subsidise intercity and regional markets up to a reasonable level to serve the environmental and public good.

13. What specific improvement to rail services would you like to see?

- Trains: Silent zones, more plugs, more reliable WIFI. Ability to bring bicycles on board free of charge, also during rush hour.
- Stations: Free and safe bicycle parking. Free car parking spaces at commuter stations. Better interconnectivity with busses for onward journeys.
- On routes: A reduction in the journey time between Dublin Cork to 2 hours. Rezone Mallow as a commuter station.
- On timetables: More non-stop journeys between Cork-Dublin, at least one late afternoon from Dublin to Cork. Later connections back to Midleton and Cobh on weekends / at large events.
- To fares: Cheaper fares purchased when on the day of journey to remain competitive. Extension of leap card zone to Mallow. Continuation of special rates for families/groups/students, especially in connection with major events.

Submitted on behalf of Cork Chamber.

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