



Chambers Ireland's Submission on the Statement of Strategy 2017-2019 of the Department
of Transport, Tourism and Sport

05/08/2016

Chambers Ireland is the largest business network in the State. With members in every geographic region and economic sector in Ireland, we are well positioned to understand the concerns of Irish businesses and represent their views. We are pleased to have the opportunity to inform this consultation process and look forward to further engagement with the Department of Transport, Tourism and Sport in the future.

Ireland's Transport Network

Transport is essential for businesses to grow and trade and good transport links enable regional networks to develop. Transport affects almost all industry sectors and is a hugely important topic for our network of local chambers across the country. We must increase our investment in transport or we risk undermining our ability to generate economic growth in a sustainable manner, as well as damaging our national competitiveness. Chambers

Recent years have seen Ireland spending nowhere near peak levels of investment on road transport¹ and we have been allowing infrastructure to depreciate through this lack of investment. The tourism industry, Irish trade and our ability to attract FDI are compromised if our transport networks cannot deal with current and future demand.

Transport Funding

We support the Government's goal to restore funding in land transport to long run average rates for developed countries. However given the severe underfunding in recent years, and as much investment in the plan is back-loaded and we believe that there is a need to have some amount of this investment brought forward to ensure our transport network can cope with current demands and does not depreciate further.

Following decreased investment levels in Ireland's transport infrastructure following the economic downturn, it is necessary to ensure that funding in the maintenance and upkeep of our transport infrastructure, especially road transport, is prevented from depreciating further. Our road network in particular is of significant size, at 99,000 km the network is 2.5 times the European average in terms of length per head of population. This significant state resource cannot be allowed to depreciate through lack of investment and we would like to see the Department prioritise the funding for steady state maintenance of our road infrastructure which will prevent the network from depreciating further.

Freight will play an important role in Ireland's ongoing development as a trade hub. We must ensure that road connectivity with our ports and airports is sustained and enhanced where necessary.

Urban Connectivity & Planning

Chambers Ireland would like to see the Department maximise the contribution of land transport networks to our national development through strategically planned transport links.

There is a need for enhanced urban connectivity to be delivered in the Department's Strategy. As Ireland's cities and economic hubs continue to grow, so too must the connectivity within and between them.

¹ <https://data.oecd.org/transport/infrastructure-investment.htm#indicator-chart>

Along with increased capital expenditure on transport and other infrastructure utilities, we must ensure that these projects are based on robust analysis of future business and population needs and avoid the short-termism and policy instability which politically motivated projects often produce. Chambers Ireland has in the past called for the creation of National Infrastructure Commission² which would independently assess and prioritise infrastructure projects of strategic importance and we again reiterate the need for such a body in conjunction with increased investment in infrastructure.

Such a body would ensure that investment in transport is strategically planned in a way that will maximise the economic development and growth impact for the affected areas.

We support the allocation of resources and funding to progress the planning stages of major projects. Large scale projects have a long lead time, so investing in the preparatory stages now will expedite their delivery once funding becomes available in the future.

Green Transport

Transport will be a vital sector in Ireland's carbon emission reduction targets and the DTTAS now has the opportunity to take a lead role in progressing with the de-carbonisation of Ireland's transport system.

Under the COP21 Paris Agreement of 2015 Ireland is now obliged to move towards a decarbonised economy. This should be reflected in the policy and planning of all Government Departments, however the role of the DTTAS will be one of the most significant in achieving significant changes to our carbon emissions.

Business will of course also need to play a part by working with Government to support innovation and investment in low-carbon technologies. However in order for this to happen there needs to be a strong Departmental role in encouraging attitudinal and physical changes to how businesses conceive of transport.

Ireland's international climate change obligations come with significant financial consequences and the current legal position is that the Exchequer will be obliged to pay for compliance or, failing that fines, if emissions are not reduced. We are also bound by EU legislation which sets 2020 renewable target, and specifically that 10% of all transport energy to come from renewable sources by 2020. Should we fail to meet our 2020 renewable targets under EU legislation the State will need to pay for compliance or be threatened with EU fines in the region of €100million to €150 million for each percentage point short of the overall 16% economy wide target.

Given these risk of significant financial penalties and the environmental necessity that Ireland reduces carbon emissions, Ireland must make decisive action now to move towards a low carbon economy. The Department must play its part in this and should take steps to

² <http://www.chambers.ie/assets/media/Downloads/Publications/Vision%202021%20FINAL.pdf>

decarbonise our transport sector and increase the take-up of low carbon modes of transport such as electric vehicles.

Chambers Ireland would like to see the development of a package of non-fiscal behavioural incentives to support the uptake of low emission vehicles that can be rolled out. These could include policies such as free tolls, the use of bus lanes or free on-street parking while charging for electric vehicles.

In order to increase the uptake and purchase of electronic vehicles, the Department should consider introducing fiscal incentives such as reduced Benefit in Kind taxation and zero motor tax for zero emission capable vehicles.

Public Transport

It is essential that Ireland's public transport system reflects the commitment of Government to reduce Ireland's emissions and increasing energy efficiency. The Department must invest in the electrification of Ireland's heavy use public transport and licensed taxi fleet.

Chambers Ireland is supportive of the Smarter Travel policy, published in 2009 and the carbon reduction measures included in this plan, which include increased 'Greenways', cycling infrastructure, behavioural programmes and the Dublin and Regional Cities bike schemes. Plans which improve alternative travel options in cities will play a large part in reducing reliance on cars and also traffic congestion in urban areas, as well as contributing to a reduction in emissions and contributing to an attitudinal change to transport. Investment in urban public transport will be vital to ease congestion as economy and population grows and strategically planned transport links may play a role in offsetting the effects of the housing crisis.

Aviation

As Ireland's economy continues to integrate and expand internationally our global connectivity will become increasingly important. An aviation policy that supports the development of all Ireland's airports will help drive the growth of city regions and the regional development.

Tourism

Tourism is another area which many Chambers Ireland members have a strong interest in and we would like to acknowledge the work of the Department in introducing successful initiatives such as the Wild Atlantic Way. We hope to see continued investment in such schemes, and the continuation of successful projects such as Ireland's Ancient East, and Mayo's Greenway, which combines tourism with sustainable transport and sport. The tourism industry supports many jobs across all regions of the country and is vitally important for the domestic economy and SMEs in particular.

Sport

Finally, we are increasingly aware of the business opportunities and benefits of Ireland's emerging vibrant sporting sector, which covers a broad range of areas from traditional sporting events to performance nutrition. We are also mindful of the benefits of a healthy and active workforce and we are supportive of the work the Department is doing to develop initiatives in this area.