

**Response from the
Western Development Commission
to the
Strategic Rail Review**

December 2003

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WESTERN DEVELOPMENT COMMISSION RESPONSE TO THE STRATEGIC RAIL REVIEW

1. Introduction and Context

The Western Development Commission (WDC) welcomes the publication of the Strategic Rail Review (SRR) which is designed to *provide the Government with a basis for establishing a strategic policy framework for the future development of the rail passenger and rail freight sectors in Ireland over the next twenty years.*¹

The purpose of this response is to record the WDC's views of the SRR, specifically some of its concerns with the Review's methodology and recommendations.

Historically, there have been very low levels of state investment in public transport generally, and in rail transport, in particular. This changed in the late 1990s with EU funding and the National Development Plans 1994-1999 and 2000-2006. Under the current National Development Plan 2000-2006 (NDP), there is a significant programme of funding for investment in public transport infrastructure. However in the case of rail transport, this expenditure, while welcome, is starting from a very low base and much of it is concentrated on upgrading safety and signalling systems rather than providing for an expansion of services.

The production of the SRR is crucial, at this time, in that it provides a framework for the expansion of rail services throughout Ireland.

The WDC has stressed the importance of investment in transport infrastructure² and specifically rail infrastructure to the Western Region. The WDC's report *The State of the West*, (2001), stressed the need for a quality rail service which was safe, reliable and efficient. Concerns such as poor rolling stock, the need for improved timetabling and additional services were identified. The potential of the Western Rail Corridor (WRC) and associated commuter routes *in linking the towns of the Western Region and thereby enhancing the development of 'critical mass'*³ was also noted.

In its submission to the SRR, the WDC reiterated the importance of rail services to the Western Region. In that submission, and in the context of the National Spatial Strategy (NSS), the WDC

- called for a detailed feasibility study of the WRC;
- supported the proposed Shannon Rail Link;
- suggested the need to examine rail based commuter options for Galway and Sligo;

¹ Strategic Rail Review, 2003, pi. The WDC made a submission to the consultants as part of the Public Consultation on the SRR.

² It is acknowledged that investment in roads infrastructure not only supports private car based transport, but also supports public transport in the form of bus transport etc. At the same time it must be recognised that bus transport is often not a real substitute for rail transport. For example, business people will often use rail transport but would rarely use bus transport.

³ The State of the West, 2001. p.82.

- examined the arguments for and against rail freight in the context of the EU White Paper on Transport, and practice in other European countries;
- argued that the role of rail freight, as an efficient and environmentally friendly mode of transport, should be promoted in Ireland, while recognising the need for separate state subvention, as is the practice in other European countries.

In April 2003, following the publication of the SRR, the WDC convened a Rail Seminar,⁴ the objectives of which were:

1. To inform those active in development in the Western Region of the SRR, its recommendations and implications for the Region.
2. To hear views on the SRR from interested parties in the European Commission, the Department of Transport and Iarnród Éireann.
3. To identify and discuss the key issues arising from the SSR and how they might best be addressed.

At the Seminar, the main concerns regarding the SRR included:

- the need to acknowledge and rectify the errors and inaccuracies therein;
- the lack of consideration of the policy goal of balanced regional development;
- the need for continued investment in rail infrastructure in order to achieve balanced regional development.

Following publication of the SRR, and widespread criticism of its recommendations from those involved in regional development, the Department of Transport made the authors of the SRR, Booz Allen Hamilton (BAH), available to engage with the WDC and the four Regional Authorities whose geographic remit covers the WRC. This meeting consisted of a presentation by BAH which summarised the SRR, referred to the issues raised regarding errors and inaccuracies and suggested key requirements of the process needed to progress new schemes such as the WRC.

In addition, and at its request, staff of the WDC met with BAH in October 2003. This meeting discussed some outstanding concerns in relation to the SRR along with engagement on other rail issues. The staff of the WDC also met with Department of Transport officials and discussed the SRR as well as ongoing concerns regarding the operation of existing services.

This document is the WDC's considered response to the SRR and the subsequent engagement with BAH, officials from the Department of Transport, the various local authorities and interested parties within the Region.

⁴ This Seminar was co-hosted by the WDC and the eight County and City Development Boards within the Western Region, namely, Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway (City and County) and Clare. A full report of this Seminar is available on the WDC website, www.wdc.ie.

While the WDC welcomes the SRR, it is disappointed with the Review's outcomes and recommendations, particularly with regard to the relative priorities accorded to investment on routes serving the Western Region. Those issues of most concern to the WDC are

1. The Methodology used in the SRR
2. Investment Priorities for the Western Region
3. Rail Freight
4. Operational Issues

2. The SSR Methodology

It is the view of the WDC that the methodology employed does not sufficiently take account of the policy goal of balanced regional development as outlined in the NDP and further elucidated in the National Spatial Strategy.

According to BAH,

*The SRR has evaluated proposed new schemes with a view to recommending to the Department those schemes which it is expected could reasonably make a positive net economic contribution to the State (while comparing the schemes against each other and against those associated with investment in the existing operational network).*⁵

BAH state quite clearly that the criterion used in evaluating proposals was that of net economic contribution. This net economic contribution was determined using cost benefit analysis⁶ (CBA). One of the key characteristics of CBA is that *it relies heavily on monetary valuations.*⁷

An additional analysis, Multi Criteria Analysis (MCA), was undertaken as a supplementary exercise. Generally, MCA is used to incorporate non-monetary goals such as balanced regional development in devising recommendations. However, three criticisms can be levelled at the way in which the Multi Criteria Analysis was used in the SRR.

1. The goal of *ensuring compliance with National Spatial Strategy, or other guidance on balanced regional development and sustainability* is only one of twenty-five criteria contained within the MCA.⁸ Other criteria include environmental considerations and criteria promoting sound project selection.

⁵ Taken from a letter to the Department of Transport, from the authors, BAH and dated May 30th 2003. This letter was a response to some of the criticisms of the SRR following its publication and this point relates directly to concerns that the methodology employed does not take account of balanced regional development.

⁶ Cost Benefit Analysis is a particular type of economic evaluation which identifies the monetary costs and benefits of a project.

⁷ Strategic Rail Review, p.128.

⁸ Ibid, p.131,132.

The WDC believes that if the policy goals contained within the National Spatial Strategy are only one of twenty-five considerations, in an MCA analysis, it is difficult to see how they were effectively taken into consideration in the SSR. The SRR can not be said to have had sufficient regard to *the spatial context provided by [the]... National Spatial Strategy*.⁹

2. The MCA exercise itself was flawed, in that the choosing and ranking of criteria were made by the consultants and not the stakeholders. Typically a MCA involves selecting and rating different criteria and

*Best practice usually involves agreeing these with the decision-making agency and/or key stakeholders and then providing a rationale as to why each criterion received a particular weighting relative to other criteria. It is not uncommon to arrive at as near as possible to a consensus position... with a selection of key 'players' to agree the weightings to be adopted.*¹⁰

However, consensus was not achieved on the relative weighting of each of the criteria and it was BAH, and not the key stakeholders, who decided the relative weights of each criterion.

*The MCA analysis in this report has been based on the consultants' professional judgements based on discussions with stakeholders and the consultative process. It is accepted, however, that at the high level, the Government will have its own view on rankings.*¹¹

The WDC believes that the weighting of criteria in the MCA necessarily requires the involvement and agreement of the stakeholders (e.g. the Departments of Transport, Environment and Local Government and Finance), in accordance with the policy goals they subscribe to (such as balanced regional development). Without the consensus and approval of the key stakeholders, the criteria and their relative weighting have little value.

3. As BAH point out, **the MCA is supplementary to the CBA and did not determine any of the priorities for investment in the SRR.** It was the results of the CBA which determined the priorities for investment.

*The [multi-criteria analysis] assessments should be viewed as supplementary to cost benefit analysis only and in no way should they be viewed as a substitute for cost benefit analysis. The assessments could serve to prioritise projects and may be a useful way to select between projects of similar cost and outcomes under cost benefit analysis.*¹²

To summarise, CBA and MCA are two separate exercises. In this report CBA was given precedence over MCA,¹³ therefore the goal of balanced regional development is

⁹ The Terms of Reference for the Strategic Rail Review.

¹⁰ Strategic Rail Review, p.128.

¹¹ *ibid*, p.129.

¹² *ibid*, p.165.

¹³ There are other examples where the MCA element of the analysis is accorded much importance in the determination of policy. For example, in Australia, the Queensland Government requires the application of

necessarily a secondary consideration. While the SRR took the NSS into consideration, it did so, only as part of the Multi Criteria Analysis,¹⁴ which was a secondary *supplementary* methodological tool. Therefore the goals of the NSS were effectively not considered, because investments based on CBA were prioritised over those based on rationale which took balanced regional development into account.

Balanced Regional Development is about *rebalancing* current development patterns and facilitating growth where it is not currently endogenous. If policy is determined on the basis of priorities based on cost benefit analysis only, then investment in schemes or services designed to promote balanced regional development is not possible. The WDC believes that the Recommended Investment Strategy as determined by the CBA cannot be reconciled with the Government's stated policy objective of balanced regional development.

3. Investment Priorities for the Western Region

The SRR presents a Recommended Investment Strategy (RIS) which identifies priority capital expenditure investment from 2003 up to 2022. The RIS has two elements:

1. The €4.25 billion *Staying in the Game* programme which is comprised of asset renewals and the replacement of life-expired assets. Of this total, 22.5 per cent (€959 million) is to be spent on routes serving the Western Region.¹⁵
2. The €4.24 billion *Going for Growth* programme comprising service enhancements and new schemes. Expenditure under this programme in the Western Region amounts to just €190 million, which represents just 4.5 per cent of the national total.

The WDC considers that expenditure designated for service enhancements within the Western Region, is extremely disappointing. Amounting to just 4.5 per cent of the total *Going for Growth* programme it indicates a lack of priority accorded to routes serving the Region. This level of expenditure, designed to expand services in the Western Region, does little to support the contention that the SRR has *had regard to the spatial planning context provided by [the]... National Spatial Strategy*.¹⁶

41 selection criteria and 22 evaluation criteria to transport projects including regional development, trade development, economic development, safety and social justice. (Chapter 13, *Facts and Figures in Benefit-Cost Analysis: Transport*, Bureau of Transport and Regional Economics at the Department of Transport and Regional Services. www.bte.gov.au).

¹⁴ As already mentioned, the MCA also considered 24 other policy goals.

¹⁵ This includes the Dublin to Galway, Westport, Castlebar, Ballina and Sligo lines but excludes the line serving Ennis. This is because expenditure on the Ennis route is included with expenditure on the Dublin to Cork and Limerick routes, both of which are outside the remit of the Western Region.

¹⁶ As stated in the Terms of Reference.

In addition, the WDC is concerned that much of the expenditure on Western routes under the *Going for Growth* programme is designated *long-term*, and is not due to take place until the period 2015-2022.¹⁷ This underscores the low status accorded to Western routes.

Consideration of the proposed expenditure on the different routes serving the Western Region is detailed below.

3.1 Routes serving Sligo, Westport, Castlebar and Ballina

All planned investment on the Sligo, Westport, Castlebar and Ballina routes (under the *Going for Growth* programme), is not forecast to take place until between 2015 and 2022.

The Dublin-Sligo, Dublin-Westport/Castlebar and Ballina routes are relatively low down on the list of priorities because of the methodology employed. In the NSS, Sligo is accorded gateway status while Castlebar and Ballina are named as hub towns. If the methodology employed had given the MCA (and the NSS as a policy goal) a higher priority then it is likely that these routes would have received more investment.

Growth of gateways and hubs is envisaged in the NSS. The NSS, in referring to the role of the new gateways including Sligo notes that, *In essence, the new gateways over the years to 2020 and beyond need to grow to the current population levels of cities such as Waterford or Galway.*¹⁸ The growth of hubs is also noted. *Looking to the period to 2020 and beyond the hubs will need to grow substantially.*¹⁹

The WDC believes that to facilitate and support this population growth, improved rail links are very important. Therefore, in attempting to rebalance growth in favour of hubs and gateways, analyses based on current absolute passenger numbers are misleading and erroneous. Other criteria should also be considered, such as the rate of growth in passenger numbers. Recent analysis has shown that, between 2000 and 2002, the Westport/Castlebar and Sligo routes had **the highest percentage increase in passenger numbers** of eight routes examined.²⁰

The WDC believes that the routes serving Westport, the gateway city of Sligo and the hub towns of Castlebar and Ballina should receive investment in order to enhance services in the short to medium term, rather than the longer-term, as recommended in the SRR. In light of the designation of Sligo, Castlebar and Ballina as growth centres in the NSS, together with the recent growth in passenger numbers on these routes, it is unacceptable that investment is delayed to 2015.

¹⁷ One of the explanations given for the delay in investment is that there are capacity constraints which limit the amount of investment, engineering works etc. that can take place at any one time. This argument serves to reinforce the view that other routes and services outside the Western Region are accorded a higher priority and the routes serving the west will be served only when others are completed.

¹⁸ The National Spatial Strategy, p. 50.

¹⁹ Ibid. p. 51.

²⁰ Mid-Term Evaluation of the Economic and Social Infrastructure Operational Programme. Indecon Economic Consultants, September 2003. p.123.

3.2 Galway route

In the SSR, service enhancements on the Galway-Dublin route are recommended to take place in the medium term (2009-2014). This investment will comprise a number of new passing bays on the line enabling higher frequency services and better timetabling. These passing bays are costed at €3 million each.

However, in the short-term (2003-2008), it is recommended that Galway station be redeveloped, at a cost of €70 million. While this investment in Galway station is welcomed, the SRR does not explain what the investment actually entails. It is understood that while there will be some additional platform capacity; most of this funding will not deliver extra services but is designed to improve passenger facilities such as waiting areas and concourse development. The WDC appreciate that facilities at Galway station (along with other stations) need improvement, but would argue that in a situation of budgetary constraint, the priority is to improve the frequency and quality of services.

In the context of redevelopments at Heuston station²¹ costing €117m, the delayed investment in passing bays (costing just €3 million each), and the undoubted demand for extra services, it is not clear as to how the spending of €70m on Galway station, in the short-term, is justified.

The proposed Galway station redevelopment will have a marginal impact on services. The WDC finds it difficult to understand how a methodology employing a strict CBA could recommend such an investment in advance of more pressing investments which would deliver real service improvements to the consumer relatively quickly, such as passing bays, new rolling stock, additional services etc.

3.3 The Western Rail Corridor

The Western Rail Corridor extends from Sligo to Limerick and onwards to Cork and Rosslare. If operationalised it would connect the western cities of Sligo, Galway and Limerick and link the many towns (including the hubs of Tuam and Ennis) along its route. The WDC believes that this corridor, along with its proximity to other transport infrastructure (such as the international airports of Knock and Shannon) has the potential to effectively create a more self-sustaining critical mass along the west coast. In its submission to the SRR, the WDC argued that a detailed feasibility study of the Western Rail Corridor is required.

The importance of transport corridors as a means to spur economic development is evident elsewhere, for example, in the case of the M1 corridor linking Dublin and Belfast. The SRR itself recommends such a development approach with the inclusion of the Cork Suburban Scheme in the Recommended Investment Strategy. This Cork Suburban Scheme has as its expressed aim, the goal of restraining economic development to the west of Cork city and promoting development to the east of the city. This type of development necessitates investment ahead of demand and is designed to better influence future planning and development. The WRC represents an attempt to apply the same planning and development concepts at a national level, readjusting the balance from East to West,

²¹ This redevelopment in part comprises an increase in platforms from five to ten.

by promoting development on this Western Corridor and helping to alleviate the ‘over-development’ of the East Coast.

In its recent report *Jobs for Towns* (2003), the WDC pointed out that the Western Region has the potential to have the most intensive rail network outside Dublin providing access to Dublin, good internal regional linkages, and various commuter services. As pointed out in the report, many towns are well-positioned along the rail routes in the West, including the Western Rail Corridor. Significant investment in such towns could accelerate demand for rail links to Dublin and/or local commuter routes and the feasibility of the Western Rail Corridor.

In this context, the recent decision to decentralise government jobs to Clarmeorris and to Knock airport is important. Knock airport’s evolution into a focal point for regional development, could enhance the feasibility of rail services between Charlestown and Claremorris to create a rail link to Dublin, while also connecting part of the Western Rail Corridor.

Consultation with local authorities regarding their plans for towns on rail routes indicated that they supported the Western Rail Corridor and had taken the positioning of towns on rail routes into consideration in the preparation of county plans.

The SRR did not undertake a feasibility study of the WRC, but did estimate the likely costs of its reinstatement. These costs have been the subject of much debate²² and vary from €572 million (BAH estimate) to €215 million (WRC advocates). While it is disconcerting that the costs associated with similar proposals can be so divergent, much of the difference can be attributed to different specifications. One view is based on providing a more basic service, the other argues that to be successful it needs to be of the highest specification (in terms of track speeds, frequency of services, quality of rolling stock etc.). The truth probably lies somewhere in between and the WDC believes that a detailed feasibility study is needed to answer such questions.

The WDC believes that a comprehensive and detailed feasibility study of the entire Western Rail Corridor (Sligo to Cork) is required. This feasibility study should also include a study of potential commuter routes along the same corridor (e.g. Tuam to Galway, Tuam to Claremorris, Charlestown to Claremorris, Tubercurry to Sligo).

4. Rail Freight

In its submission to the SRR, the WDC examined the arguments for and against rail freight in the context of the EU White Paper on Transport, and practice in other European countries. It acknowledged that, as elsewhere across Europe, rail freight revenues and volumes have been declining in the face of competition from road based alternatives, but

²² An examination of the different costs as articulated by BAH and advocates of the WRC is available in the Report of the Seminar on the Strategic Rail Review, April 22, 2003, which is available at www.wdc.ie.

also noted that it is difficult to compare the real cost of rail versus road freight transport. The WDC submission noted that, *where rail operators are required to justify fully all costs and benefits, rail will inevitably compete unfavourably with road, where costs are distributed differently.*

It is the WDC's view that a separate subvention should be made to rail freight,²³ in contrast to the current practice where it is provided to the combined rail passenger and freight sector with no distinction as to how it is allocated. The rationale for such subsidies is based on rail's superior safety record, the increasing need to reduce road congestion, and the greater environmental sustainability and energy efficiency of rail transport.

The WDC welcomes the commitment to rail freight and the initiatives recommended in the SRR which are designed to support rail freight activity in the short-to-medium term. It is recognised that rail freight is at a critical juncture and it is therefore imperative that these short to medium term initiatives are considered and acted upon as soon as possible. The WDC is concerned however that the lack of a long-term policy for rail freight will inhibit its development potential and consequently may hasten its decline.

5. Operational Issues

In the course of discussions with BAH and officials from the Department of Transport, several ongoing concerns were raised by the WDC. These related in the main to the inadequacy of current services. It was pointed out that many of the weaknesses in the current provision of services are not related to long-term investment strategies but are concerns which can be addressed in the short to medium term at the operational level. These include timetabling, additional services, reduced journey times, fare structures and customer service.

5.1 Timetabling

The services which currently operate on the Sligo, Westport and Ballina routes to Dublin, (currently between 3 and 4 services to Dublin daily), often do not operate at times which facilitate take-up by the passenger. This is particularly the case for those wishing to attend morning engagements in Dublin. While it is understood that there is limited capacity at stations serving Dublin between the critical peak times of 8.00-9.00am, the WDC understands that there is not technical reason why a 9.30am arrival from either of these departure points cannot be accommodated.

5.3 Additional Services

There is a need for additional services and while there are some limiting factors, for example many of the routes are on a single track, and there is also evidence of spare capacity where some trains are lying idle for considerable periods of time. According to BAH, on the basis of the new rolling stock ordered by Iarnród Éireann, extra services will

²³ This is the practice in most other European states.

be achievable on many of these routes in 2004/2005. These are eagerly awaited in the Western Region.

5.4 Reduced Journey Times

Apart from the completion of the programme of track renewal which involves up-grading much of the track to continuous welded rail (CWR) standard, the introduction of additional passing bays would enable reduced journey times and additional services. This has been noted above in the case of the Galway-Dublin route, but could also apply on the other routes serving the West.

5.5 Fare structures

There is evidence of higher fares at regional locations compared to equidistant journeys within the Greater Dublin Area. Fares for journeys between Athenry and Galway, Ballymote and Sligo and Claremorris and Castlebar are significantly greater than fares on equidistant journeys within Dublin. This difference in ticket pricing is disturbing and apart from being inequitable, discourages take-up of public transport at a regional level.

5.6 Customer Focus

Commentators acknowledge the need for greater customer focus in terms of service delivery (including better timetabling) but also in terms of deploying resources more efficiently, such as providing additional services through better asset utilisation. The WDC is concerned that this is true also in the freight sector where, for example at the Sligo depot, relatively recent investments in rail freight equipment are not being utilised.

The WDC believes that much can be achieved in terms of improved and additional services on routes serving the Western Region, involving little or no significant additional investment. Such service improvements on routes serving the Western Region appear to have a low priority, particularly when compared to the service improvements on other intercity routes.

Summary of Recommendations

1. Approach and Methodology

The WDC believes that if the policy goals contained within the National Spatial Strategy are only one of twenty-five considerations, in an MCA analysis, it is difficult to see how they were effectively taken into consideration in the Strategic Rail Review. The SRR can not be said to have had sufficient regard to the NSS.

The WDC believes that the weighting of criteria in the Multi Criteria Analysis necessarily requires the involvement and agreement of the stakeholders (e.g. the Department of Transport, Environment and Local Government and Finance), in accordance with the policy goals they subscribe to (such as balanced regional development). Without the consensus and approval of the key stakeholders, the criteria and their relative weighting have little value.

Balanced Regional Development is about *rebalancing* current development patterns and facilitating growth where it is not currently endogenous. If policy is determined on the basis of priorities based on cost benefit analysis only, then it is unlikely that there will be any investment in schemes or services designed to promote balanced regional development. The WDC believes that the Recommended Investment Strategy as determined by the CBA cannot be reconciled with the Government's stated policy objective of balanced regional development.

2. Proposed Expenditure

The WDC considers that expenditure amounting to just 4.5 per cent of the total *Going for Growth* programme designated for service enhancements within the Western Region, is extremely disappointing and indicates a lack of priority accorded to routes serving the Region. This level of expenditure does little to support the contention that the SRR has had regard to the NSS.

In addition, the WDC is concerned that much of the expenditure on Western routes under the *Going for Growth* programme is designated *long-term*, and is not due to take place until the period 2015-2022.²⁴ This underscores the low status accorded to Western routes.

The WDC believes that the routes serving Westport, the gateway city of Sligo and the hub towns of Castlebar and Ballina should receive investment in order to enhance services in the short to medium term, rather than the longer-term as recommended in the SRR. It is unacceptable, in light of the designation of Sligo, Castlebar and Ballina as growth centres in the NSS, along with the growth in passenger numbers on these routes, that investment is delayed to 2015.

²⁴ One of the explanations given for the delay in investment is that there are capacity constraints which limit the amount of investment, engineering works etc. that can take place at any one time. This argument serves to reinforce the view that other routes and services outside the Western Region are accorded a higher priority and the routes serving the west will be served only when others are completed.

The proposed Galway station redevelopment will have a marginal impact on services. The WDC finds it difficult to understand how a methodology employing a strict CBA could recommend such an investment in advance of more pressing investments which would deliver real service improvements to the consumer relatively quickly, such as passing bays, new rolling stock, additional services etc.

3. The Western Rail Corridor

The WDC believes that a comprehensive and detailed feasibility study of the entire Western Rail Corridor (Sligo to Cork) is required. This feasibility study should also include a study of potential commuter routes along the same corridor (e.g. Tuam to Galway, Tuam to Claremorris, Charlestown to Claremorris, Tubercurry to Sligo).

4. Freight

The WDC welcomes the commitment to rail freight and the initiatives recommended in the SRR which are designed to support rail freight activity in the short-to-medium term. It is recognised that rail freight is at a critical juncture and it is therefore imperative that these short to medium term initiatives are considered and acted upon as soon as possible. The WDC is concerned however that the lack of a long-term policy for rail freight will inhibit its development potential and consequently may hasten its decline.

5. Current Services

The WDC believes that much can be achieved, at an operational level in terms of improved and additional services on routes serving the Western Region, (without significant, if any additional investment). These include better timetabling, the introduction of additional services, a reduction in journey times, more equitable fare structures and improved customer focus. Such service improvements on routes serving the Western Region appear to have a low priority, particularly when compared to the service improvements on other intercity routes.