



Northern Ireland
Assembly

**COMMITTEE FOR
REGIONAL DEVELOPMENT**

**OFFICIAL REPORT
(Hansard)**

Programme for Government Seminar

12 December 2011

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Jimmy Spratt (Chairperson)
Mr Pat Doherty (Deputy Chairperson)
Mr Roy Beggs
Mr Stewart Dickson
Mrs Dolores Kelly
Mr Seán Lynch
Mr Stephen Moutray
Mr Cathal Ó hOisín

Witnesses:

Ms Kellie Armstrong	)	Community Transport Association
Mr Scott Kennerley)	
Ms Antoinette McKeown	)	Consumer Council for Northern Ireland
Mr Graham Smith)	
Mr Ciaran Doran)	
Mr Andrew Grieve	)	Department for Regional Development
Mr John Mills)	
Mr John White)	
Mr Patrick Thompson	)	Energy Saving Trust
Mr Declan Allison	)	Friends of the Earth
Mr Trevor Haslett	)	Northern Ireland Water
Mr Gordon Best	)	Quarry Products Association

Dr Liz Fawcett	)	Sustrans
Mr Steven Patterson)	
Mr David Brown	)	Translink
Mr Ciarán Rogan)	
Ms Jo Aston	)	Utility Regulator

The Chairperson:

OK, folks, good morning. I welcome you at this early hour to the Committee for Regional Development's seminar on the draft Programme for Government (PFG), the draft investment strategy for Northern Ireland (ISNI) and the draft economic strategy. Thank you very much for attending, especially as you responded in a very short period.

The format for today is explained in your invitation letters, but I will briefly remind you of the four key themes to be covered: public transport; road and rail infrastructure; sustainable transport; and water and waste water. You have been invited to speak on a specific theme to outline what gaps you perceive there to be in the draft strategies, to comment on the milestones and outputs and to indicate the best way to monitor progress on the strategies.

The discussion on each theme will commence with an overview from the Department, followed by presentations from stakeholders addressing that theme. Due to the very tight time constraints, the presentation will be between eight and 10 minutes, followed by up to five minutes of questioning from members. I will be strict on those times because of the schedule and the fact that we need to be out of this room for another function here in the afternoon. I will take members questions as they indicate to me. When the five minutes is up, the members who indicated too late will fall off the list.

So, without further delay, I call Ciaran Doran, director of financial operations and transportation division, to provide an overview of public transport.

Mr Ciaran Doran (Department for Regional Development):

My role in the Department for Regional Development (DRD) is to look after the funding arrangements for Translink, the rural transport partnerships and the Door-2-Door contract. So, it incorporates the biggest elements of the public transport budget.

Before going into the detail of the commitments in the draft Programme for Government from the Department's point of view, I suppose it is worth making the obvious point that we are working to some extent within the budgetary context that was set in April.

I will try to cover two commitments in the draft Programme for Government. The first is that £500 million would be invested to promote more sustainable modes of travel. The second is the specific commitment to the Coleraine to Derry/Londonderry railway line. The terms of the commitment to sustainable public transport are deemed as equivalent. In other words, public transport is seen as a more sustainable mode of travel. The first commitment of £500 million is, essentially, a statement about how much funding the Department can attempt, or will attempt, to put into public transport over the next four years.

In broad terms, the £500 million splits into £174 million for capital and roughly £318 million for revenue. I will go into capital in a bit more detail later on. It is worth highlighting the amounts of revenue and subsidy to which the Department is committed: roughly £96 million over that period for railways in the form of a subsidy or public service obligation; £125 million for concessionary travel; £43 million for fuel duty rebate; and £34 million, incorporating the rural transport fund and the door-to-door services.

The second commitment concerns the Coleraine to Derry track relay. I am sure that members are well aware of the situation, but I will go back over what has been agreed. The current Minister has agreed to bring forward the phasing of that project and is committed to finding an additional £22 million from the roads capital project to partly fund the first phase of the relay. Five million pounds will be found from Translink's capital budget. The second phase will happen in 2014-15, with a resignalling and a passing loop option in place. We are hopeful that, by the end of 2015, an hourly service will be in place.

I now turn to capital in a general sense. As a result of the transfer of the £22 million from the roads budget to the railways capital budget, the ratio of public transport expenditure to roads expenditure increases from roughly 17% over the budget period to 19%. That is an important point to make at this stage.

From the Department's point of view, what will the £500 million deliver? I will run through some of the highlights. It completes the New Trains Two programme, which is well under way

and features the entry into service of 20 new trains. It will enable the completion of a major capital project to stable trains at Adelaide station, and it will deliver a series of platform extensions to allow those trains to be used at all railway halts. As I mentioned, £47 million will be spent on the Coleraine track relay project. There will also be expenditure on Portadown railway station, the integrated bus and railway system in Antrim and some upgrades to the Enterprise trains. There will be bus replacements. We expect 44 new Metro buses and 35 Goldline buses to be delivered in 2012. That will allow us to make preparations for the rapid transit project and take forward the Belfast on the Move project, which will put in place new bus and cycle lanes. Finally, by the end of the period, the money will, hopefully, allow for a substantial increase in bus and railway park-and-ride facilities.

I will make a couple of points about revenue. The entry into service of the new trains will, hopefully, lead to further growth in the number of rail passenger journeys. It protects the concessionary fares scheme as it is at present. It protects — this is a very important point — rural transport and the door-to-door budgets that are already in place, and, in the Department's view, it should enable us to continue to achieve 77 million passenger journeys each year.

What are the problems with the position? From the Department's point of view, it is worth highlighting the reductions in Translink's revenue budgets in the third and fourth year of the budget, and I am sure that Translink will highlight that issue. Bus replacement capital expenditure is minimal at this point beyond the current year, and that will become an increasing problem as we go forward. From the Department's point of view, the bus fleet in Translink is well up to the mark in average age and accessibility but, without continuing replacement each year, that will become more of a problem.

As for general pressures, there is no additional revenue in place for extension of the rural transport fund. For example, there is no provision in DRD's budget to deal with issues that arise with health transport, but I am sure that we will come back to that issue.

Beyond 2015, some significant issues will have to be addressed around the amounts of public transport capital investment that are available. Specifically, our understanding is that, in the early years, 2015-16 and 2016-17, when the rapid transit project is due to come in and when most of the spending will take place, ISNI, the investment strategy, does not allow for significant additional capital for public transport. The Minister has highlighted that issue in the consultations

that are going on at the minute.

When discussing the Programme for Government and its links to the Budget, it is important to bear in mind that there are monitoring rounds each year. Additional funding will very often come into play for public transport, and that will be allocated either to the rural transport partnerships or to Translink. We will continue to keep an emphasis on that. For example, this year, Translink has received something like £5 million in additional revenue.

The Chairperson:

You have one minute, Ciaran.

Mr Doran:

I will make one other point about the rural transport partnerships and the whole issue of health and education transport. We, as a Department, have already made contact with the Department of Health, Social Services and Public Safety (DHSSPS) to try to put in place a forum to consider the issue in detail. However, it is a complex area, and that will take some time.

The Chairperson:

We will have five minutes of questions.

Mr Beggs:

You mentioned extending park-and-ride facilities. If I picked you up right, you said that that may happen towards the end of the Budget period. How much is available specifically to improve park-and-ride facilities? Encouraging people to move from cars to public transport is essential.

Mr Doran:

We have ongoing plans to develop park-and-ride facilities, particularly for railways in the short term and particularly with Translink. There are specific plans for some train stations. The Department has also set aside a specific pot of funding for the later years of the budget, and that is part of a wider review of park-and-ride facilities. It is anticipated that, when the review is completed and is being implemented, there will be something in the region of £8 million to £10 million available as we head towards 2014. So, it is not that work on park-and-ride facilities will not happen before then, but, hopefully, there will be a significant increase in provision by that stage.

Mr Copeland:

There is £318 million of revenue built into the document. What are we going to get for that?

Mr Doran:

The most important revenue grant is for concessionary fares, which is the reimbursement of the schemes for anyone aged over 60 who is entitled to free public transport. That is a significant amount. On top of that, there is the railway subsidy of close to £100 million over the period, which allows the railways to continue to operate as a sustainable service. There is something like £34 million for accessible transport schemes, whether in rural or urban areas, such as the Door-2-Door scheme, and that continues through the period. On top of that, there are specific subsidies for Translink and other bus operators for fuel duty rebate. Those are the main elements.

Mr Doherty:

Thank you for your submission. Can you elaborate on the uncertainty that you say exists around school transport?

Mr Doran:

School transport is an issue that Translink will, I think, raise. My understanding of the current arrangements is that there is, essentially, a contract between the Department of Education or the education and library boards and Translink. There have been some discussions over the past 12 months, and there has been some uncertainty on the part of Translink about the long-term nature of those arrangements. I am not best placed to go into the details of that. You may want to raise the issue with Translink officials.

Mr Lynch:

How long will it be before the rural transport forum is up and running?

Mr Doran:

Ongoing pressures on the rural transport partnerships have emerged, in that there is uncertainty about who is responsible for providing specific forms of transport to hospitals. Translink is keen to look at the wider issue of whether we are making the best use of the vehicles that we have throughout Northern Ireland for education and health. We feel that it would be best to approach the Department of Health, Social Services and Public Safety at a fairly senior level, possibly

including the Ministers, and break down the project into different streams, rural transport being one stream. Procurement issues, including how vehicles are looked after, could also be looked at. From the Department's point of view, we also have to be conscious that the statutory responsibility for school transport and health transport — if you use that term — rests with different Departments.

The Chairperson:

Thank you, Ciaran, for your presentation. I remind everyone that the proceedings are being recorded for the Hansard report, which will be useful when the debate takes place.

We now move to the presentation from Ciarán Rogan and David Brown from Translink. Ciarán is the marketing executive and David is the commercial and services director. You are very welcome. Again, you will have 10 minutes, gentlemen.

Mr David Brown (Translink):

We are going to do this as a double act, and we will split the time down the middle. We appreciate the opportunity to come here today and comment on the draft Programme for Government and the draft investment strategy.

I am sure that you will agree that the investment that we have received from the Department to date has been very successful. If you look at the introduction some years ago of the new trains under the New Trains One programme and the recent introduction of the New Trains Two programme with its 20 new three-car sets, you can see that they have been a clear success. We believe that they have resulted in very tangible benefits to the economy. We agree with what the departmental officials said a few moments ago — that excellent public transport lies at the heart of sustainable development for Northern Ireland. So, we are clearly very much in agreement on that.

There are some challenges in the current comprehensive spending review (CSR), particularly, as the Department has mentioned, in years 3 and 4. However, over and above capital investment, which is imperative, four other things are very important, and at least one of those has already been mentioned this morning. We need very supportive policy structures for planning and parking. There is an oversupply of parking in the centre of Belfast, and the charges are very reasonable. As a result, a lot of people opt to bring their car into town rather than use public

transport. We need supportive policy structures that focus on planning at a very early stage and on the cost and availability of parking.

Another thing that will deliver very tangible benefits in the short to medium term is improvements in park-and-ride facilities. I have worked in this sector for only three years, having previously worked in the energy sector. For people who are not used to using bus and rail services, there is a real benefit to be had from taking your car from a rural setting and then getting out of the car and onto good, sustainable transport. On top of that, priority should be given to buses, particularly on the approach to cities and towns. That will cause people to convert in the sense that they will start to use public transport. Priority for buses is particularly crucial at this stage, given that recent statistics suggest that journey times have increased not decreased. We have noticed that worrying trend in the recent past.

I will highlight something that has been successful in recent times. Because of the funding that we received from the Department, coupled with us driving our costs down, we have been able to offer a fare freeze to the Northern Ireland public. That has worked really well. We have been surprised. We first did it against the backdrop of rising fuel costs and so on, but people have latched on to it. A number of people have started to use public transport, probably because the cost of fuel has gone through the roof.

If we understand it correctly, the £500 million that was mentioned this morning is the total of the existing funding. As we look at years 3 and 4 of the current CSR, we see a couple of challenges. We understand that only 14% of the DRD capital budget has been allocated to passenger transport, whereas the regional transportation strategy suggested that it ought to be something like 35%. In previous CSRs, only as much as 20% has been delivered. In the current CSR, only 14% has been set aside for public transport. In year 3 of our programme, funding for buses has been reduced by a third; it is down to a very low level. In fact, keeping our buses at a sensible average age would require something in the order of £15 million per annum. However, in 2013 and 2014, we have only £58,000, which would buy only half a bus. As well as that, the steady investment that is required for maintenance across the rail network is £40 million to £50 million per annum, but, by year 3, we have only £11 million. We do not want to suggest that we are ungrateful for what we are getting; we are very grateful to the Department for every penny that we get. However, if we are really committed to sustainable public transport, there will be challenges as we get to the last couple of years of the CSR.

The Department has set us a challenge by giving us a target of 77 million journeys for this year, 2011-12, and that happens to be the same as the out-turn for 2010-11. Our numbers were starting to go down at the end of last year, but we have accepted the 77 million target, and we are doing all in our power to deliver on it. We have been able to hold the fare freeze, and we are going to hold it through to the end of this year. We will look at our position next year to see what we can do as far as the freeze is concerned. That will be coupled with efficiencies, and we will look at our budget line by line to try to make sure that there is no duplication of spend. With that work and effective contract management, we hope to be in a position to deliver as we move forward.

Mr Ciarán Rogan (Translink):

A lot of what is being covered in this session is also relevant to the second session and to the infrastructure of the railways, in particular. We will take that as read for the second session, but we will answer questions on any additional issues raised at that stage.

The invitation for today's event referred to how the outcomes and milestones of the Programme for Government can be evaluated. That relates to the nuts and bolts of what we will deliver through the capital and revenue spend context that has been outlined.

Frequently, we appear before the Committee to talk about reviews of our networks, and we have explained that we do that annually. We will continue to review our networks each year over the next three to four years within the cost and funding context that has been outlined. We continually look for opportunities to integrate bus and rail services and to reduce duplication — that tends to be our objective when we do reviews. If we have a situation in which a service is carrying low numbers and it is appropriate to remove it, we always have the basic objective of maintaining the geographical scope and reach of the network. That being said, there are parts of the network that are growing strongly. The Goldline service is a particularly strong part of the network. There is also growth on a relatively local basis. For example, we introduced a new bus service into the Titanic Quarter in Belfast — service 26 — in September, and that has been a huge success. Where we see opportunities for growth, we grasp those and put in services.

To turn to the railways specifically and without repeating a lot of what Ciaran Doran outlined: the New Trains Two programme is ongoing, and, out of the 20 trains that were ordered, five are currently delivering services. We will complete the entry into service of all 20 new trains

throughout 2012. The priority is to replace, on a like-for-like basis, the older trains on the Larne line. However, as part of that programme, we are also building a new maintenance facility at Adelaide and extending platforms across the network to allow us to run longer trains and to increase capacity.

The situation regarding the Coleraine to Derry track relay programme has been explained. That programme has been accelerated and brought forward. Assuming all procurement and tendering goes to plan, we will commence that work in June 2012, with the line to be fully reopened at the end of March / the start of April 2013. Services will be returned to their current level for the bulk of the 2013 City of Culture year, and the relay programme will be completed after that. As Ciaran said, the passing loops and phase 2 will be completed by the end of 2014-15, which will allow for hourly services. It should be pointed out that our increasing services between Coleraine and Belfast to an hourly level will be of significant benefit. The amount of commuter travel between Coleraine and Belfast is large and growing, and that particular line has been a huge success in passenger number terms over the past number of years.

As I indicated, the Goldline service is an area of the business that is growing strongly. At the moment, that part of the business is the jewel in the crown.

The Chairperson:

You have one minute left, Ciarán.

Mr Rogan:

We are due to relaunch that service and to increase its frequency in 2012.

As regards the Metro service, all that we are asking for is the ability to have additional bus priority measures. That is not mentioned in the Programme for Government, as it will not require a huge amount of capital spend. Bus priority from park-and-ride facilities is what delivers passenger numbers, and that is basically how our performance is evaluated.

The written briefing gives you the specific capital investment highlights that are included in our corporate plan and in the Programme for Government. Those include upgrades at Antrim bus and railway station and Portadown station; a station footbridge and cycleway at Ballymoney railway station; a footbridge at Moira railway station and a rolling halt, which is a safety

provision. We will also implement park-and-ride extensions at Ballymoney, Coleraine and Antrim, and we will complete a feasibility study for larger park-and-ride works at Moira and Lisburn West. The major capital expenditure will be for the replacement of buses, which is relatively low in comparison to the rate of previous years. We will seek to have 35 new buses for the Goldline service and 44 new buses for the Metro service.

I also want to point out the innovations that we are carrying out for things like ticketing and passenger information. For example, we are seeking to introduce mobile phone ticketing and to extend our ilink product. We are also investing in customer information systems and our journey planner. That summarises the outputs.

The Chairperson:

Thanks for that, Ciarán. You stated that the Programme for Government is restrictive in respect of public transport. What would you have expected or, indeed, recommended that would allow for appropriate development?

Mr Rogan:

I indicated that the basic measure that we have for the success of public transport — it was quoted in the regional transportation strategy — relates principally to passenger numbers. The Programme for Government targets passenger numbers to sit at 77 million over the next couple of years, which is a fairly static state. We have seen passenger numbers grow significantly over the period of the regional transportation strategy, and that represents the context of our target.

Mr Copeland:

Thank you for your joint presentation. Will you define the uncertainty that apparently exists in respect of school transport? Are you aware of a school of thought that says that the provision of free transport for school-age children on the ordinary public transport system would be cost-neutral within greater Belfast and would allow a new generation of passengers to become used to using public transport?

Mr Brown:

I will take your first question first. Historically, Translink has enjoyed a three-year contract with the Department of Education for school transport. However, because of a lot of the uncertainties around the Department of Education's own budget, we find ourselves in a situation where we are

currently in the process of entering into a one-year contract with the Department. The Department of Education has to take a fundamental look at how it moves boys and girls from home to school. We are in negotiations with the Department for a longer-term contract. For us to be able to do bits and pieces and get economies of scale and scope, we need that longevity. We hope to get there, possibly, in the next few months. We are in discussions with the Department of Education.

With regard to your other point, I see where you are coming from. We are cognisant of the fact that, if you can get young people to use public transport at that formative age, it is likely that you will get a pull through into adulthood. I will ask Ciarán to speak to you about the work that we are doing to encourage young people to get the most cost-effective use of our services.

Mr Rogan:

At the moment, children under 16 travel using a half-fare ticket. We do not want children between the ages of 16 and 18 to necessarily have to travel on the full adult fare. We want them to have access to the cheapest possible fare. Therefore, we are looking at having a new type of ticket that is specifically for the pupil and student market and gives them instant access to the lowest possible fare. That is part of a large suite of things that we are doing to get young people on board our buses and trains year on year. However, they all pay fares to some degree.

The point that you make would more properly be addressed within the concessionary fares scheme in its entirety and would involve extending that scheme to include free travel to people under the age of 16 or even 18. That is really something for the Department to initiate. It was one of the options looked at when the scheme was extended to people aged 60 and over, but the Minister at the time decided that the 60-plus market was the one to go for. Concessionary fare schemes have to be funded, and Ciaran has already indicated the pressures in funding the existing concessionary fares scheme. Would it be of benefit to young people and get them on board? Yes, certainly, but somebody has to pay for it.

Mr Beggs:

I am always alarmed when maintenance appears to be cut, because it can cost big-time in the long term. You are getting £11 million a year by year 3. Is £40 million to £50 million the amount that you think that you need? What will be missed?

Mr Brown:

Yes, you are right. As we understand it, we will be getting £11 million by year 3, whereas we say that to maintain a steady state and to keep ahead, so that we do not end up with a backlog of activity that we have to address, we need much more.

One of the things that we always put to the fore is anything that is safety-critical. That will always come to the fore. As your estate ages over time, there are always areas and particular issues of geography that you want to go back and address and bring up to date. What we find that we have to do with a limited budget is to address, first and foremost, anything that is safety-critical. We do not believe that anything will be missed out in that. Then, with the balance of money that we have, we will do as much as we reasonably can. Sometimes, that means doing a tidy-up in order to keep the track open and the speeds up so that the journey times can be reduced.

We have calculated that, in better times and if there was an abundance of money, we would need circa £40 million to £50 million per annum to maintain the steady state, so that we are not leaving challenges for ourselves down the line — no pun intended there.

Mr Lynch:

With regard to young people travelling to school, many of their journeys are short. Have you looked at measures to encourage them to walk or cycle to school? Such a scheme down South has increased the percentage of children taking that route.

Mr Rogan:

The lead for that would be taken by the Travelwise division in DRD. We work closely with Travelwise in the sense that our priority is to get young people out of cars. The school run in the morning adds to congestion, adds to cost and is economically difficult. I know that walking and cycling are part of the Travelwise initiative. We would play our part by, for example, putting in cycle facilities at bus stations and rail halts.

The Chairperson:

Thank you very much for your presentation, David and Ciarán.

We move on to the Community Transport Association and Kellie Armstrong, please.

Ms Kellie Armstrong (Community Transport Association):

Good morning everyone. Time is a bit tight, so I will move through the paper that we submitted. We provided you with some written evidence from the Community Transport Association (CTA), and I will refer to that in this oral evidence.

I will jump straight to the Programme for Government and the investment strategy for Northern Ireland. Although we accept that both are draft documents and are out for consultation, the community transport sector has some concerns about them. Our vision is that people have access to the right form of transport that suits their needs at a time that suits them. When we look at the Programme for Government and the investment strategy for Northern Ireland, we see some fundamental gaps between what people in Northern Ireland need and what will be delivered over the next few years.

To look at the gaps in the Programme for Government: one of our major concerns — it has been referred to this morning — is that there is no strategic transport plan for Northern Ireland. By that we mean that general access to services is not considered in the round and no cross-departmental consideration is given to transport expenditure. For instance, how much money is spent on education transport, how much on health transport, on employment transport or access to employment transport? Then look at public transport. If all that data were pulled together, we would have an opportunity to create an integrated system that will not only provide access for people who need to access education and health but will benefit our economy by making sure that people have access to employment.

What are we doing to our population by excluding the consideration for transport as access to services? Basically, we are saying that what you have is what you will get. We looked at the investment strategy for Northern Ireland and, unfortunately, although it is a forecast, it appears that that is what we will keep getting until 2021. We believe that there should be a change. The Programme for Government should be steering the ship that would have taken us forward to consider what our future in Northern Ireland will look like.

A future Northern Ireland will have a greater number of older people. Will they be driving cars? Will they need greater access to health services? Yes, they will. So how will we look at their needs? We had hoped that the Programme for Government — with the aim of building for a better future — would have started to consider that. We had hoped that it would propose higher

investment for, for instance, Translink and sustainable transport, so that we can move towards a shared future.

There is a need for the Executive to consider how people will be able to access various services. Without a transport accessibility plan at the heart of the Programme for Government, how do we move Departments out of their silo mentality? You heard from Ciaran Doran and from Translink that there are proposals to try to work with other Departments. However, one of the things that concerns us about the Programme for Government is that, although it mentions cross-departmental and partnership working, no targets are set to make that a reality. The investment priorities in the investment strategy for Northern Ireland and the Programme for Government talk about working in partnership with the voluntary and community sector; but, again, no targets are set to make that a reality.

There is no plan to review the public procurement system. Transport is the one area of procurement from which the voluntary and community sector is excluded from entering into contracts. If you do not have a commercial operator's licence, there is no opportunity for the voluntary and community sector to take part, unless through a grant scheme. Therefore, we are excluded from procurement. How does that constitute partnership working? Why is the level playing field that everyone talks about for profit-making organisations only?

The investment strategy for Northern Ireland varies from the Programme for Government in that social enterprise and social clauses are mentioned in passing, but there is no tangible evidence of commitment to progress. In the absence of a commitment to consider and review the procurement system, effective social clauses will be excluded and social enterprises will no longer be able to provide services, because the grant scheme has disappeared. Last year, we had a presentation from the Central Procurement Directorate of the Welsh Assembly Government, which said that it took a proactive move to include social enterprises, and, all of a sudden, tenders in which social enterprises were included jumped from 4% to over 30%. If that type of target was included in our Programme for Government, we could move forward.

As I mentioned, there are no targets to ensure effective partnership working. We would have liked to see a very clear target in the Programme for Government that asked each Department to prove how they were working in partnership with their colleagues in other Departments. If that had been included, instead of mentioning it in passing, we could have had a proactive

engagement between, for instance, DRD and DHSSPS. Speaking from personal experience, I know that the community transport sector is being inundated on a daily basis with requests from social workers to provide transport for people who are not able to access non-emergency patient transport services. Indeed, in relation to special education transport, education and community transport have looked at ways that we can provide a linking service to bring young people to their main education transport routes. We are trying our best to work in partnership, but it would have been better had the Programme for Government included a commitment to showing that those targets were necessary.

I am being quick because I appreciate the time. The milestones and outputs mentioned in the Programme for Government are outcomes. That means that they are not actual outputs. There are no time-specific, measurable actions included. How can performance be measured when there are no targets set in the Programme for Government? The CTA suggests that, in order to achieve progression, milestones should be considered relative to the timescales of each key commitment and departmental work programme. We would like to see the programme board provide an update report on an annual basis.

I will now move on to the best way to monitor progress. If the programme board presents an annual update, we can see exactly how effective the Programme for Government will be. The delivery level must ensure that update reports are provided to the programme board, stating the progress to date and confirming when targets have been met and the progress on any outstanding items. We suggest that the delivery level should provide that to the programme board in advance of the next financial year in order that, if there are any changes to budget plans or something is failing, changes can be made so that we can take that forward and be more proactive in the Programme for Government.

CTA encourages cross-departmental work on the issue of transport to start in the first year of the Programme for Government — that is now. We have only a few months left. Why can we not have round-table discussions or a cross-departmental approach to transport to make sure that considerations are put forward now, which we can take through the Programme for Government? There are opportunities for DHSSPS, the Department of Education, the Department for Employment and Learning, the Department of Agriculture and Rural Development (DARD) and the Department for Regional Development to come forward now so that we can discuss the best way to spend money most effectively and the best use of resources. We do not want to see

yellow buses for education underutilised throughout the day. We want to see people who work in call centres and get out at 11.00 pm or midnight being able to get home using public transport instead of having to depend on a car.

In the economic climate, the people of Northern Ireland will be most affected. I am coming from the voluntary and community sector to talk to you today, and I feel that it is vital that you know how the people of Northern Ireland feel about all the changes coming forward. In order to monitor progress, it is vital that the views of the public are known. We feel that, through the Programme for Government, the programme board should have engaged in dialogue with the people of Northern Ireland to ascertain if the priorities are actually effective in bringing benefit across our communities. Therefore, CTA proposes a rolling workshop of outreach clinics across Northern Ireland, where the public can comment on how their lives are being improved or made more difficult or where priorities are not being realised. That proactive framework will help with the future planning for the next Programme for Government. We suggest that the planning for the next Programme for Government starts today, not after a Budget has been set. Thank you.

The Chairperson:

Thank you very much, Kellie. We will go to questions.

Mr Doherty:

Thank you for your submission. How crucial do you think it is that we have a public transport agency?

Ms Armstrong:

If the public transport agency is one that will look holistically at transport across Northern Ireland and across all Departments, absolutely. There needs to be some sort of co-ordinating body to bring that approach forward.

Mr Dickson:

Thank you for your presentation. For you, what would a cross-departmental transport planning model look like?

Ms Armstrong:

We would start looking at what it is that people in Northern Ireland need access to, where they

need to go, why they need to go and at what time they need to go. Starting from that fundamental transport planning framework, we can decide what the routes will be and who will provide them. As Ciaran Doran mentioned when he talked about the health forum between DRD and DHSSPS, the fundamental question is: what do our people need? Then we fit our system round that. There is no point in running routes that are not economically viable. A route running at 11.30 am from a rural town to a market town may not suit the needs of someone who has to get to a health appointment at 10.00 am. We need to start with a very basic transport planning service that looks at accessibility and at what people need, and then we need to build on that. At the end of the day, it is the people using our transport who will make it sustainable.

Mr Copeland:

I recently heard a phrase —

The Chairperson:

A question, Michael, please.

Mr Copeland:

This is a question. The phrase was transport poverty. Does such a thing exist? Is the term widely used? Is it defined? If it does not exist, should it?

Ms Armstrong:

Whenever you talk about fuel poverty, people talk about home heating oil. I have to tell you that 10p in every pound earned in Northern Ireland is spent on car fuel. For once, I would like the Assembly to realise that we are car dependent. It is costing our people a fortune, and we do have transport poverty. A number of older people, people with disabilities and people with limited mobility because of their age or rural location are facing major hardships. You only have to look at people in Belcoo, for instance, who have to go to Altnagelvin Area Hospital because of the centralisation of services. If they have a 9.00 am appointment and are using public transport, they have to leave home at 5.30 am or 6.00 am to make their way to Enniskillen, Dungannon or Omagh and up to Altnagelvin. It costs them a fortune. If they do not use public transport, a round trip in a taxi costs £70. That is for one health appointment. I would call that transport poverty.

Mr Lynch:

Thank you, Kellie. What efficiencies in community transport would a review of the public procurement system bring about?

Ms Armstrong:

As far as community transport is concerned, we try to be as efficient and effective as possible by using a number of volunteer car drivers. That means that we do not have to buy vehicles and we only reimburse drivers for their out-of-pocket car mileage expenses. Where do we see efficiencies happening? Why not let community transport have access to the yellow education buses outside term time or in the evening so that we can help people, outside the main public transport times, to come home from employment or for recreational purposes, which are part of Northern Irish life?

Another thing to consider is the sharing of services. For instance, if it is not economically viable for Translink to run a large bus on a rural route, it would better to use a smaller vehicle that could be shared with health providers and used outside health operating hours. A minibuss or a 24-seater vehicle used by health providers for dementia day care could be used at other times by Translink. We can also share resources by sharing drivers. That could save an absolute fortune. It costs community transport £125 a day for a bus to sit there doing nothing. How much money is being invested through education and health? We know what is happening in DRD. How could those resources be better used? We believe that millions of pounds could be saved.

Mr Ó hOisín:

Other than route rationalisation and using yellow buses, what changes will have to be made to the provision of community transport?

Ms Armstrong:

Community transport is completely excluded from the procurement system, and grants are disappearing. We have a number of rural community transport partnerships that can access DRD's rural transport fund. We are very grateful for that and for the groups and organisations that deliver the majority of community transport in Northern Ireland. From the CTA's point of view, however, we have over 100 community transport organisations that receive no funding. We want those organisations to be developed so that they can help to fill the void, but, because we are completely excluded from the procurement system, they cannot apply for tenders and

contracts to any Department, be it Health, Education or DRD.

We would like the Government to say, “We recognise that the voluntary and community sector is here, that it has capacity and that it is efficient. It uses volunteers and their cars, which means that we do not have to buy vehicles. We will reimburse them and see how they get on.” Even if there is a pilot scheme, let us see how that goes.

The Chairperson:

You are over time, Kellie. Please finish very quickly.

Ms Armstrong:

Community transport can provide the linking service to provide bodies for Translink. Rurally isolated people who live two or three miles from a bus stop can be provided with links to Translink to keep that a sustainable service, and we would like to see a commitment to that.

The Chairperson:

Kellie, thank you very much indeed for your presentation.

We move on to the Consumer Council, and Antoinette McKeown, its chief executive, and Scott Kennerley, its head of transport. You are very welcome. You have 10 minutes.

Ms Antoinette McKeown (Consumer Council for Northern Ireland):

Good morning. The Consumer Council very much welcomes the opportunity to give a short presentation on the draft Programme for Government. We commend the Committee for organising this event.

We want to look at three or four aspects, and I will hand over to Scott for the detail on those. The Consumer Council asks whether the draft Programme for Government commitments to public transport are genuine about intending to move towards more sustainable modes of public transport or are just maintaining the status quo. We do not believe that the Programme for Government is clear enough on that. For example, an investment of £500 million simply to secure 77 million passengers, which has been a target since 2008, maintains the status quo. We want more clarity on that.

Another issue for us is that some of the objectives in the draft Programme for Government seem to be contrary to current policy. It is important to review that so that policy is clear and coherent. For example, we are seeing the commitments in the draft Programme for Government moving away from the 35:65 split between roads and public transport. If we are genuine about sustainable modes of transport and getting people back to using public transport, we need to get more clarity on that.

We also need more clarity on plans for road, bus and rail simultaneously, because the draft Programme for Government seems to have a disjointed approach in talking about public transport without going back to the regional transportation strategy and making that its grounding. We want to see more fit and complementarity between bus, rail and road so that there is clarity for consumers on where the Programme for Government's commitments lie.

I will now hand you over to Scott, who will go into a little more detail.

Mr Scott Kennerley (Consumer Council for Northern Ireland):

Once again, thank you for the opportunity to present the Consumer Council's views of the draft Programme for Government with regard to public transport. Members will have had a written brief on the issue, so I will keep this presentation short.

Four commitments in the Programme for Government relate to public transport. The first is the commitment to progressing the upgrade of key road projects to ensure that by March 2015 journey times on key transport corridors reduce by 2·5%. In our brief, we highlighted the fact that the draft Programme for Government has a specific target for improving journey times on key transport corridors but no specific target for public transport services. There is no indication of what schemes will be developed or, more importantly, what role public transport could play in improving those journey times.

Earlier, a colleague from Translink stated that priority should be given to buses and that, in recent times, journey times have increased. Public transport has a huge role to play in increasing modal shift and taking more cars from the road. The Consumer Council believes that developing road infrastructure should include a focus on transport priority measures. However, again, as was stated, more information is needed to clarify what improvements will be made to public transport services in line with that target to improve journey times.

The second commitment that we wish to comment on is the pledge to invest over £500 million to promote more sustainable modes of transport. As was stated, the £500 million to be invested in a programme of measures is essentially to achieve an annual average target of 77 million journeys by public transport. That target has been in place since at least 2008 and was included in public service agreements between DRD and Translink for 2008-2011. I believe that Translink, to its credit, has been achieving that target since 2007-08. Therefore, we believe that the £500 million will, at best, keep pace with what has been happening since 2008. It will not improve investment in public transport, and the fact that the target for public transport journeys will be the same for 2015 as it was for 2008 confirms that there is no expectation of a significant improvement in modal shift, which has been a key aim of the regional transportation strategy since 2002.

With regard to the milestones set in the Programme for Government, the Consumer Council believes that it would be more beneficial to list the public transport improvements that will be achieved over those milestone periods. To echo the comments of Kellie Armstrong from the Community Transport Association, it would be more beneficial to do that rather than simply stating the amount of money that will be spent cumulatively.

The third commitment to comment on is the aim of creating the conditions to facilitate at least 36% of primary school pupils and 22% of secondary school pupils to walk or cycle to school as their main mode of transport. The Consumer Council welcomes that commitment. We feel that more could be done across a range of journey types, such as commute-to-work, and the programme should include a focus on the role of public transport. I am a young father, and I know from personal experience that the school journey and work journey are often linked. Therefore, a comprehensive response is required to consider those issues together, rather than in isolation. We welcome the fact that the milestones set in this area have been clearly outlined. However, it is not possible to comment on whether the target is realistic or challenging without knowing the current position. The milestones should also consider improvements for other journey types, not just school journeys. A more efficient way of measuring success would be to establish the current position, the improvement being sought, and how that will be achieved.

The final commitment for comment is the upgrading of the Coleraine-Derry/Londonderry railway line. The Consumer Council supports the decision to bring forward this upgrade. We are

pleased to see it in the draft Programme for Government. However, we question why that one section of railway is being highlighted, as opposed to focusing on improving the rail network itself. We recognise that this is a major project to be delivered, but it is only one project. It is only one part of the rail network, and the draft Programme for Government makes no further detailed comment in relation to the developments or improvements expected for the rest of the network. The draft improvement strategy does make reference to some programmes that will be taken forward, such as the Knockmore-Lurgan railway line, the development of an integrated transport hub and investment in sustainable transport initiatives, but they are only potential developments that will be considered and taken forward. The focus for monitoring progress should be to improve the rail network as a whole, of which this particular stretch of railway is a part. In that way, there would be a clearer picture that could be drawn from the improvements planned over the Budget period for the railway network.

In conclusion, the draft Programme for Government and investment strategy do not give sufficient detail on the improvements that will be made in public transport by 2015. From the information available to us, it appears to us that the target of modal shift — moving to more sustainable methods of transport, increasing the number of people from the car to public transport — is not going to be a priority for the Executive within this Programme for Government. We will have a passenger journey target in 2015 that is the same as it was in 2008.

The Chairperson:

Thank you very much indeed. Your conclusion is quite damning in that you do not believe that the Programme for Government delivers on its objectives in respect of public transport. Given the current budgetary conditions, do you think that there is scope to deliver, and how would you suggest that it be done?

Mr Kennerley:

Our concern is that the Programme for Government talks about the building blocks — the regional transportation strategy, the regional development strategy. At the moment, the programme basically maintains the status quo and the level of investment. Ultimately, the target for passenger journeys, which Translink has said is how its success is measured, will remain the same. As to how the pie could be sliced differently, I do not really feel that the Consumer Council is in a position to specifically say that money should be taken from one area and put into another. Our duty is to comment on the fact that the research that we have conducted with people

who would like to use public transport services states that they would use them if they were available. The Committee will be familiar with the Transport Matters research that we produced in line with Youth Action Northern Ireland and Translink. In that piece of research, young people said that they would like to use the services if they were available and that the lack of services impacts on their ability to access education and employment opportunities. The appetite and desire is there, as are the high-level strategic aims. However, the investment is missing.

Mr Doherty:

Thanks for your submission. You talked about the potential for a model shift from cars to public transport. How do you suggest that the required cultural change be achieved?

Mr Kennerley:

It is a considerable piece of work. This Committee's briefing and information report, which was published in August, stated that, for the regional transportation strategy to succeed, there needs to be a cultural shift and a change in attitude. A number of actions need to be taken. The person who spoke previously was asked about the public transport agency. The Consumer Council believes that any public transport agency that is set up must consider public transport needs across all public transport providers. The accessibility of a journey needs to be considered from the door to the destination so that the entirety of the journey can be planned, not just the main transport provision, which is the case at the moment.

A wide range of organisations and Departments have a hand in public transport. We are only starting to see initial discussions and developments. The first speaker from the Department said that discussions between the Department for Regional Development and the Department of Health, Social Services and Public Safety are starting to take place. However, the briefing paper to which I referred earlier states that modal shift has been the subject of policy for the past 10 years, yet there has not been a significant change in the number of people who rely on a car for the vast majority of their journeys. The latest statistics from the DRD show that about 81% of journeys in Northern Ireland are as a car driver or passenger.

Ms McKeown:

We want to see investment following the commitment in the 2002 regional transportation strategy, which was 65%:35% funding between roads and public transport. It shifted back again in the previous budget, and we raised concerns with the Department for Regional Development.

There is an absolute necessity to educate. We have been working with young people, because they are the starting point. Car insurance is so horrendously high at the minute for young people; it is almost prohibitive. It is even more important that public transport serves young people well so that, at 15 years of age, they do not want to be looking at simply pass their test at 17 and having to get public transport because they cannot afford insurance. We see opportunities, and we concur with what Kellie Armstrong said previously about fitting public transport to the need. If we do that throughout Northern Ireland, we will start to see that shift as well.

The Chairperson:

Thank you for the presentation. I know that two or three other members indicated, but if they would pass their questions to the Committee Clerk, we will send them in writing to the Consumer Council.

We now move to the second discussion, which is on road and rail infrastructure and investment. I call John White, director of strategic programmes in Roads Service, and Ciaran Doran, director of financial operations and transportation. Go ahead, John. You have 10 minutes.

Mr John White (Department for Regional Development):

Good morning, everybody. I want to speak for a few minutes about the roads-related key commitment in the draft programme, which, as the previous speaker mentioned, is to progress the upgrade of key road projects and improve the overall road network to ensure that by March 2015 journey times in the key transport corridors are reduced by 2·5% against the 2003 baseline.

Against that target, we ask where we are today. My slideshow will be useful in highlighting the sort of schemes that we can deliver. The current slide shows some of the recently completed capital road schemes, which, together with similar schemes in the future, will benefit not only the road user but the Northern Ireland economy and will play their part in meeting the target set out in PSA 13.

However, capital funding in the current Budget period amounts to somewhere around £1·2 billion with the emphasis, as shown in this slide, on the construction of the A5 and the A8. I draw your attention to the relatively low levels of funding in this Budget for smaller capital

improvements and structural maintenance. Structural maintenance mainly involves resurfacing.

The slide also shows the original levels of funding expected from the Irish Government for the A5 and A8 schemes. The figure at the bottom of the slide is the revised ROI contribution, and you can see that there is a significant difference between that and the one above. That is where we have some difficulty. You will be aware that at the North/South Ministerial Council plenary meeting on 18 November, it was noted that provision of further funding by the Irish Government for the A5 and A8 schemes was being deferred and that the Irish Government would provide £25 million per annum in 2015 and 2016.

The relevant Departments have been tasked with preparing a new funding and implementation plan for the two projects for agreement at the transport sector meeting. That is likely to be held in March 2012, with endorsement at the subsequent plenary meeting. You will appreciate that, until this work is complete, I am not really in a position to advise you of the roads programme.

I will say a little more about ISNI. You will see from the slide that the indicative allocation in ISNI over the 2015-2021 period is around £200 million per annum. That would enable Roads Service to take forward a significant programme of structural maintenance, targeted primarily at the strategic road network, and a programme of minor capital works. That would leave us with about £100 million per annum to spend on strategic road improvements, again, mainly in the key transport corridors. In other words, in the 2015-2021 period, schemes such as the York Street/Westlink interchange, the A26 at Glarryford, and further improvements to the A6 should all be done. However, the extent of the programme set out in the original investment delivery plan published in 2008 could not be met under this funding level.

I am sorry that this presentation is very short, but given the state of flux that we are in due to the funding from ROI and the impact on the Department's budget, there is not a great deal more I can say at this point in time.

Mr Ciaran Doran (Department for Regional Development):

To some extent, I covered the issue of railways in the earlier presentation, so I will try to keep this short. The first point I want to make is that railways have clearly been a major success. Over the past decade, passenger journeys have doubled to roughly 10 million journeys at the end of last year. To facilitate that, there has been significant investment, not just capital investment in

railways but in revenue support. That is a very important point to bear in mind. Rail is subsidised quite significantly. The public service obligation currently runs at £22 million to £24 million per annum. To grow railways further will require more investment. Alongside that is the reimbursement of the concessionary fares scheme. Although railways have clearly had a major success in growing passenger journeys, we need to understand that continuing that will require investment in revenue and capital.

As regards the £500 million referred to earlier, we have explained that that is essentially broken down into capital and revenue, with roughly £174 million being put into capital investment. Most of it is in railways, whether it is in the New Trains Two programme or the Coleraine to Derry track relay.

Moving beyond that, to the investment strategy period 2015-2021, I have already highlighted that in the initial two years of that programme there will be an issue about the priority assigned to the rapid transit project as opposed to public transport in general. Clearly, if additional funding is set aside for public transport, a number of projects could be taken forward. For railways specifically, the sort of projects that we have in mind are, for example, a transport hub at Great Victoria Street, which could reduce journey times between Dublin and Belfast by five to 10 minutes, and discussions are taking place about that. It may require some investment during that period. However, if we look seriously at improving journey times on the Belfast-to-Dublin corridor; that will require major investment, which is not currently planned for. If we want to extend the railways in any way, whether to the airports or by bringing new routes into play, that will require a significant amount of investment. I understand that there has been quite a bit of discussion about that with the Committee recently, so I will not restate that. Essentially, that is the position; the investment strategy as it currently stands envisages the status quo as regards the rail network.

General points were made earlier about growing public transport. I want to make two points about that. It is important to bear in mind that, currently, the vast majority of public transport journeys take place on buses. To some extent, investment in roads facilitates that. Statistics show that 67 million passenger journeys take place on buses, 10 million take place on railways and roughly a million take place on what you might describe as accessible transport schemes, whether that is rural transport or door-to-door. It is fair to say, without going into the detail, that investment in capital and revenue has been skewed towards railway and accessible transport. To

some extent, that is the nature of the industry that we are talking about, but I ask the Committee to bear in mind that to move away from that will require significant amounts of investment, which, I will say again, is going to prove difficult under the current budget scenarios.

The Chairperson:

Thank you very much, John and Ciaran. We move to questions now, beginning with the Deputy Chairperson, Pat Doherty.

Mr Doherty:

Thanks for your submission. In relation to John's comments about the A5 and the A8, has the re-profiling work emanating from the North/South Ministerial council started? Who is heading it up on the Assembly and Executive side?

Mr White:

The work has started in the sense that there have been meetings at official level. The Minister for Regional Development and the Minister of Finance are due to meet in that regard very shortly. We have made appointments, but we have not yet met the Departments in the South.

Mr Beggs:

The Consumer Council was critical of the fact that a smaller percentage of funding is going towards public transport and other forms of sustainable transport. Given the reduced capital funding, why is public transport suffering? How do you prioritise the investment of the limited capital funds we have?

Mr Doran:

That is a difficult one.

Mr Beggs:

Should there not be transparency?

Mr Doran:

Yes. Clearly, the amount of capital investment in public transport relative to roads is not at the 30% level that was talked about in the regional transport strategy five or six years ago. However, as a result of the decision to invest in the Coleraine to Derry track relay, the percentage has moved quite significantly in favour of public transport over the current budget period; from 17%

to 19% by 2015. I am not trying to suggest that that addresses everything, but it is important to make that point.

Mr Beggs:

How do you prioritise the capital investment you do plan to make?

Mr Doran:

One of the major themes of the new regional transportation strategy that was referred to earlier is that we need to look again at the way in which we make judgements about investment between roads and public transport schemes and look at the benefits. Hopefully, over time, that will allow for more sensible investment decisions to be made, which will give greater weight to public transport and sustainability, which is a key theme of the RTS.

Mr Ó hOisín:

John, you mentioned some unspecified improvements on the A6. Can you be more specific on those?

Mr White:

The document contains a commitment to progress schemes on the A6. There are a number of strands. The main line on the section between Randalstown and Castledawson has been through a public inquiry. A small public inquiry is due; I anticipate that that will be in February 2012. Following the outcome of that, the scheme should be ready to go to procurement subject to funding. I expect that draft orders on the A6, Derry/Londonderry to Dungiven, to be published later this week, which will lead to a public inquiry next year. Their delivery will then depend on funding.

Mr Lynch:

Your capital budget shows that structural maintenance continues to fall behind what is required. At what stage will the Department feel the need to address that and maintain existing roads against a priority for new roads?

Mr White:

It has been indicated in a number of documents that, in 2011-12, about £112 million would be needed to address the backlog and keep up to speed. In recent years, we have got around £50 million or £60 million for structural maintenance. The dip was particularly severe in the slide

that I showed you, which reflected the very heavy levels of capital spend on the A5 and A8. Going forward, a balance needs to be found so that we both maintain our existing network and build new schemes to improve journey times and the key transport corridors for public transport and freight.

The Chairperson:

That ends questions. Dolores, if you have a question, you can put it through the Committee Clerk's office, and we will send it to the Department in writing. We are on a tight time schedule.

Ciarán, you indicated that Translink has already made its presentation. Do members have any questions on the particular section of the presentation on road and rail infrastructure and investment for Translink?

Mr Doherty:

Money has been spent on new trains at, perhaps, a faster rate than it has been spent on the infrastructure to allow them to run to maximum efficiency. You talked about that balance. Is one section getting ahead of the other?

Mr Rogan:

Do you mean the balance between bus and rail?

Mr Doherty:

No, I mean the money that is spent on new trains and that spent on the infrastructure of the rail network.

Mr Rogan:

The programmes to introduce new trains and to relay the Coleraine to Derry line section were designed and appraised as a single programme. If anything, previous decisions, which have now been overturned, to delay the relay would have put the entire programme out of balance. What is being done at present is actually bringing it more into balance, so that the line section between Derry and Coleraine is being reopened as new trains are coming on-stream.

Mr Beggs:

As regards capital investment in public transport, and given the investment that you understand to be available, will you indicate the projects that are not currently included that you would include

were more money available? I am thinking of bus and rail transport hubs — anything to facilitate public transport. What is not being done that could be done if more money were provided?

Mr Rogan:

I suppose that a significant gap that is concerning us is the bus fleet replacement, which has already been highlighted. In any one year, for the bus fleet to stand still as regards average age, which was the target given in the RTS, would require the procurement of around 95 buses. As we have said, by years 3 and 4 of the Programme for Government, in essence, no buses will be procured at all. Therefore, the average bus age will increase fairly significantly.

Ciaran Doran also pointed out that some rail infrastructure projects, such as renewal of the line between Knockmore and Lurgan, have been put back. The Belfast transport hub is not firmly in place. It is beyond the scope of the Programme for Government. The other major issue is that it is not as though specific schemes have been deferred or left out. The one thing that we always emphasise is the need for large-scale strategic park-and-ride facilities and whether money will be available for a feasibility study on that towards the tail end of the Programme for Government. We would like to have seen, and the RTS had in it, scope for large-scale park-and-ride facilities on the ground.

The Chairperson:

There have been no other indications from members. Thank you very much, indeed, Ciarán.

We move to the presentation from the Quarry Products Association, which is represented by Gordon Best. Gordon, you have 10 minutes to make your presentation, after which there will be five minutes of questions.

Mr Gordon Best (Quarry Products Association):

Thank you, Chairman and members, for giving the Quarry Products Association (QPA) the opportunity to present its views on the draft Programme for Government and investment strategy. First, I want to recognise the significant financial constraints that the current economic situation and the Government's comprehensive spending review have placed on the Executive and Departments. In our view, that makes it even more important than ever that maximum benefit is gained from every penny of taxpayers' money that is spent.

The QPA recognises the progress that the Executive have already made. However, we believe

that much more could have been done. We highlight the slow speed of many changes to the planning process and the fact that roads-infrastructure spending still falls way behind that of our nearest economic competitors in the Irish Republic and Britain. We also believe that given the serious economic situation facing the Northern Ireland economy, the consultation period on that particular Programme for Government and investment strategy is too long. We believe that the failure to rebalance the economy during the good economic times a few years ago has led to many more problems in these difficult times. We must focus on the economy.

Much has been said today about investment in public transport. I spent an hour and a half getting here from Lurgan this morning, so nobody needs to tell me about the problems with getting into Belfast. However, we believe that the roads infrastructure is the veins and arteries of our economy. In our view, roads infrastructure is there primarily to enable what is now a much more export-focused manufacturing sector to get products and services to the ports as quickly as possible.

As regards the gaps in the Programme for Government, our main criticism, as in many other years, is that there is a lack of detail in balancing the books. However, as stated, we recognise the financial constraints that the Executive face.

As regards roads and rail infrastructure, we recognise that the withdrawal of funding for the A5 has placed the Department in a position where it is unable to include more detailed information in the Programme for Government. However, this Programme for Government will not address the infrastructure deficit that we face in Northern Ireland compared with our nearest economic competitors. Recent figures show that we invest 32% less per capita in our infrastructure than the Scottish Government and 16% less than the Government in England. That shows that the existing infrastructure deficit will grow. The lack of money available in years 2, 3 and 4 of the current Budget period for roads structural maintenance will result in a further deterioration in the condition of the road network, which was highlighted in John's presentation. Given the recent decision by the Irish Government to withdraw its funding from the A5 project, we believe that immediate attention — and we believe that this is happening — needs to be given to reallocating funding to other roads and construction projects that sustain the maximum number of jobs and create the widest economic ripple effect in the local economy.

Our view is that a major reallocation of funds to projects that deliver significant benefits to the

economy and maximum creation of employment should be considered. Those projects should be priority schemes already identified in the Roads Service strategic roads programme. We also urge the Executive and the Regional Development Minister to reallocate £168 million of funds to structural maintenance in years 2, 3 and 4 of the current CSR period in order to bring the structural maintenance expenditure over the four-year period up to that outlined in the Department's structural maintenance funding plan. The economic ripple effect of investment into the redirected funds in those projects would, I believe, be enormous and be a real springboard for re-energising the growth of the local economy and the construction industry. We welcome the Executive's recognition that certain labour-intensive activities such as facilities and roads maintenance, refurbishments and upgrades can employ twice as many people as other construction-related projects that require the purchase of land or specialist materials.

As regards railway infrastructure, the fact is that people in Northern Ireland are almost completely reliant on the road network for all their transport needs, and that will not change in the foreseeable future. There are obviously a number of reasons for that, namely that Northern Ireland has a rural-based economy, is a small area, has a small population and that most of our railway lines were closed between 1950 and 1970. However, we believe that we must invest more in an integrated public transport system, primarily in the greater Belfast area. The QPA welcomes the continued support for the Belfast rapid transit system and the proposed £500 million towards the promotion of more sustainable modes of transport. We would, however, welcome more detail on that, although John and Ciaran gave us a wee bit more detail this morning.

We also believe that the Programme for Government and investment strategy do not go far enough on a number of issues, such as changes to the procurement process and support for local jobs through the introduction of social clauses to government construction projects. We are also disappointed that more focus has not been given to attracting alternative forms of funding and revenue generation in order to fund roads maintenance and infrastructure development. We believe that the Executive should follow the example of the Scottish Government, which work with the likes of the Scottish Futures Trust to explore alternative funding mechanisms. We also believe that the Executive's online investment strategy information portal is a welcome addition to communicating progress. However, our experience to date indicates that the website is not being kept up to date by some Departments and that some of the information going on it could be of more value to the construction industry.

As regards milestones and outputs, we believe, as stated, that there is an inadequate level of detail about how many of the commitments will be funded and about the benefits measured from, for example, the priority road schemes. We recognise that the two main public transport schemes — the Derry/Londonderry to Coleraine railway line and the Belfast rapid transit scheme — are in there, and that is to be welcomed.

We believe that the Programme for Government and investment strategy lack key performance indicators to measure progress in achieving roads infrastructure and public transport objectives. We would like to see resurfacing being included. National statistics show that resurfacing of the roads network is 20 times more effective than patching, and over past years, because of the historical underinvestment, the level of firefighting and patching of our roads network that has gone on is, unfortunately, unacceptable in our view. We believe that the Scottish Government's approach should be considered by the Executive. In Northern Ireland, we need to do more to ensure that the whole of government is more outcome-focused in their approach to performance. It means that they will be judged on the results they achieve; results that reflect real and meaningful improvement in public services, which will add to the quality of life for people in Northern Ireland.

As regards monitoring, the Programme for Government states an efficient transport system is essential for economic growth, and section 3.1.3 mentions developing an economic infrastructure. If we know the extent and estimated cost of congestion at present, the Programme for Government should attempt to project the savings and benefits plus inward investment and export growth that would be attracted by road and public transport improvements.

The vision of the Executive should, in our view, be to ensure that Northern Ireland will remain competitive in the global and international marketplace; ensure that the fruits of our economic success will be more equally shared at regional level and throughout society; and deliver key sustainable development targets. The QPA recognises that the commitments and priorities outlined in this Programme for Government can achieve the vision; however, like so many other Programmes for Government, it is our view that it lacks detail, particularly in how the progress towards goals and objectives will be monitored and measured. We recognise that the Programme for Government's economic strategy and investment strategy exhibit joined-up thinking, and there is significant integration between these documents, for which the Executive should be

commended. The QPA, like so many others, now wants to see delivery, quick decisions taken, regular and effective monitoring and clear accountability for responsible individuals.

The Chairperson:

Thank you very much for that, Gordon.

Mr Doherty:

Thank you for your submission. You said that you are disappointed that there is not more focus given to alternative forms of funding. Will you elaborate on that and give us some examples of where that could come from?

Mr Best:

I suppose that this may be a difficult one for the Assembly, but there are questions around internal revenue-raising powers, such as water charging, etc. I also highlighted the methods that the Scottish Government are using such as involvement with the private sector through the pension funds and so on. There is very little mention of that in the Programme for Government. There is also the issue of how we fund roads infrastructure and whether we should move towards road-tolling, as has been done in the South. I am sure that many of us travel to Dublin quite regularly, and we think nothing of stopping at the toll booth and throwing in a couple of euros.

Is there any way of extracting money from road tax as a mechanism for roads maintenance? I do not want to go over old ground, but our association has been quite active in highlighting the fact that the biggest asset that any Department looks after is our roads network, which is basically funded by money that other Departments cannot spend. The Committee is aware of the historical underspend of some £400 million roads maintenance. It is quite evident that roads come behind health and education, so we need to think outside the box, in our view. I am not an expert on international finances or bringing in other forms of revenue, but I am sure that the brains are there to work on that. We have seen the example of what the Scottish Executive have done. The fact that they have spent 32% more on infrastructure shows that they are doing something right. So, maybe there are lessons to be learnt.

Mr Lynch:

Gordon, you said that roads infrastructure is the bane of the economy. You agree that the A5 is crucial to us but, on the other hand, you say that the Department should look at starting to

reallocate the money that has been ring-fenced. How do you square that?

Mr Best:

We were always supportive of the A5 project; there is absolutely no doubt about that. In fact, we all recognise the infrastructure deficit, particularly west of the Bann, but that project basically stood on its own with the support of the £400 million of Irish money. I do not think that the Northern Ireland Executive can replace that £400 million because the money is just not there. So, given the current economic climate, the priority should be to protect jobs. If you go to the airport this morning, you will see that easyJet and Flybe aeroplanes are full of young people heading over to England to get jobs. They are moving to Australia, which needs 30,000 construction workers in the next two years. The Irish Government money has gone. They have offered £25 million in 2015-16, which is outside the current Executive's funding programme, and we need to think quickly to reinvest that money to protect jobs and the local economy. It is down to pounds and pence.

Mr Beggs:

You mentioned maintenance and said that patching, as well as being more expensive, is very disruptive to road users. Is there evidence of increased patching on our main trunk roads?

Mr Best:

I do not have evidence of that to hand today, but you can look at the levels of patching over the past number of years, and the main funding for resurfacing has dwindled. John showed you figures for structural maintenance resurfacing, and that is basically money for the private sector. We had £92 million this year, and we are down to £56 million and £52 million in the next two years and then back up to about £82 million. However, when you take out the £25 million that is ring-fenced for Road Service's own direct labour force, that is a drop of 60% in the money allocated to the contracting fraternity that is doing most of the repairs. An industry cannot sustain itself by peaks and troughs; we need steady forward planning.

Mrs D Kelly:

Thank you for your presentation, Gordon. Some others have criticised the Programme for Government and the procurement strategy and the fact that there are no social clauses. Do you think that the inclusion of and a greater emphasis on social clause would help your industry more?

Mr Best:

Yes, very much so. I was on the construction industry forum working group, along with the CEF, that discussed the introduction of social clauses. So, you are talking to the converted. The point that I made in our presentation — we have raised it with the CPD and the Departments — is that we want social clauses to be extended to support the use of local products. I have written to Nelson McCausland highlighting the fact that there will be 30 public-realm projects. However, the public-realm projects that have been delivered to date have seen massive amounts of construction materials coming in from China, India and so on when we have very good products here in Northern Ireland. So, keeping in mind EU procurement law, we want the Departments to do everything they can to support local products and, therefore, local jobs.

The Chairperson:

Thanks for the presentation, Gordon. I thank all the contributors to the first session. I intend to break for about 10 minutes. We will start again at 10.00 am sharp.

The Chairperson:

Members, we move to our third discussion, which is on sustainable transport. I welcome Andrew Grieve, the head of Travelwise Northern Ireland. Andrew, you have 10 minutes to make your presentation, and we will then have five minutes for questions.

Mr Andrew Grieve (Travelwise NI):

Good morning, Chairman, Deputy Chairman and members of the Committee. Two draft Programme for Government commitments are linked to sustainable transport. The first is the commitment to invest over £500 million to promote more sustainable modes of travel. That includes encouraging the use of public transport, which the Committee will probably have heard a fair bit about this morning. It also includes increasing the provision, and promoting the use, of park-and-ride facilities, car sharing, walking and cycling. The second commitment is specific to walking and cycling to school. Through that, we want to arrest and reverse the decline in the number of schoolchildren for whom walking or cycling to school is their main mode of transport.

Investment in sustainable modes of travel will help to support economic growth while reducing environmental impacts. Transportation also has an important role in supporting health, education, employment, leisure activities, social inclusion, rural and urban communities and the environment. The largest part of the £500 million investment is in public transport, and you will

also have heard about that this morning. However, there is also a provision for work to be taken forward in a number of other areas. We hope to launch a public consultation on the draft active travel strategy, building an active travel future for Northern Ireland, later this week. We are also drawing up plans to run a competition for active travel demonstration projects, and we plan to initiate those projects by October 2012.

The Department recently published a report on the strategic review of park and ride. The review revisited the planned provision of park and ride in the regional transportation strategy and associated transport plans. It identified priority locations for park and ride and set out a number of recommendations, funding permitting, for its delivery. The Department and Translink are finalising details of the schemes that will be delivered up to 2015.

The main aim of Belfast on the Move is to reorganise traffic management in Belfast city centre in order to facilitate a reduction in general traffic levels and encourage greater levels of walking, cycling and use of public transport. That will require the redistribution of available road space in favour of public transport and cyclists. A number of measures enabling sustainable transport will, we hope, be completed in 2012-13, subject to statutory procedures. Those will provide just over 2.5 km of new bus lanes, which will also be available to permitted taxis, cyclists and motorcyclists, 1 km of new dedicated cycle lanes and 20 new controlled pedestrian crossing points.

The pilot e-car project will install electric vehicle charging infrastructure in six towns and cities across Northern Ireland, and it will run for 2011-12 and 2012-13. Northern Ireland is one of eight UK regions to receive funding from the Plugged-in Places initiative, and we hope to install more than 100 charging posts in Belfast, Londonderry, Newry, Armagh, Enniskillen and Larne, as well as near some of the major trunk routes.

Given that the rates of walking and cycling to school have been declining over the past decade or so, the milestones in the draft PFG document are stretching. Currently, about 32% of children walk or cycle as their main mode of transport to primary school, with the figure for secondary schools about 21%. In the lead-up to the end of the Programme for Government period in 2015, we aim for figures of about 36% for primary schools and 22% for secondary schools. Those targets will be difficult to achieve, because most levers of change are outside the Department's control. Our main contribution will be in promoting awareness, increasing safety and investing in cycle lanes.

The school run is a major contributor to congestion. In Great Britain, for example, the school

run is responsible for one in four of all cars in urban areas at 8.50 am. In Northern Ireland, one traffic-flow study in Larne found that at least 44% of traffic during the morning rush hour was attributable to the school run. Congestion is real, the school run's contribution to that is real, and there is, of course, a cost, to the Northern Ireland economy.

There is evidence that many children want to walk or cycle to school. In schools in which Sustrans has worked — I will tell you a wee bit about this later on, no doubt — it found that about two thirds of children want to cycle to school and about 60% would like to walk.

The evaluation of whether we meet the targets will depend on information collated in the travel survey for Northern Ireland. It is based on a three-year rolling survey, so we will have to think a wee bit about how the targets in the draft Programme for Government are expressed in light of the fact that the collation of data will be in a slightly different format than appears there.

Additional funding of about £1 million per annum would be required properly to address all that is required. A little re-prioritisation in the Department's budget will be needed to achieve that.

The draft investment strategy for Northern Ireland indicates the potential of investment in sustainable transport initiatives. Following the Budget 2010 exercise, some capital allocations were made for sustainable initiatives: active travel demonstration projects; park-and-ride schemes, including quality bus corridors; work on Belfast on the Move, including various enabling measures; and the seed funding for the charging infrastructure for electric cars. All are included in Budget 2010 and the investment strategy, and there are enough resources available to enable us to go ahead.

Finally, I will outline what the draft investment strategy might not enable us to achieve. The strategic review of park and ride has identified many potential projects and drawn up a priority list. Although some funding has been secured and is in the budget for park-and-ride schemes, the implementation of park and ride will take place in a more constrained budgetary context, and that may impact on the ability to deliver all of the priority projects that we have identified.

The draft strategy does not include large amounts of money for sustainable initiatives. Specifically, the bulk of it is to be spent on public transport. The projects that we are funding over the PFG period, however, represent some initial programmes that aim to lay the foundations for the move to a more sustainable transport network. They are building blocks for the future. Behavioural change, which is central to modal shift, is a long-term process. We hope that the initial projects that we are taking forward will give rise to an increase in spend on that type of scheme. That is one of the aims of the proposed active travel demonstration projects.

That concludes the presentation. I am happy to take questions.

The Chairperson:

Thank you very much, Andrew. Again, the Department appears to be more specific about what cannot be delivered. Do you think that that is acceptable in an investment strategy?

Mr Grieve:

The draft investment strategy is largely geared to what is already in the Budget, and the draft Programme for Government reflects what was in the Budget agreed by the Assembly last year. So the draft strategy looks at the whole area of sustainable transport, including what we do already and what we plan to do.

We have tried to cut the cloth as best we can to enable us not only to maintain the existing public transport infrastructure but to start the move to a more active and sustainable transportation initiative. My desire would have been for more money to be targeted specifically at those areas, but it is now a matter of reprioritising the Budget to do that. One benefit of having a seminar such as this is to try to encourage the Department and the Minister to make the move that we are seeking to achieve.

The Chairperson:

The proposed investment goes beyond the current Budget period. In fact, the strategy goes to 2020 in many areas, does it not?

Mr Grieve:

It does.

The Chairperson:

So should the Department not be more innovative in its thinking and in trying to influence?

Mr Grieve:

Although the draft investment strategy looks to the future, the further into the future we go, the less specific its detail. Through the projects that we fund at present, such as the demonstration project, we hope to show the benefits of that more sustainable approach to transport. We hope that those will enable us to argue for a re-prioritisation of future work and to move it to more sustainable transportation modes. A lot of work has to be done on that, and the Committee, of

course has a big role to play.

Mr Beggs:

Can you provide the Committee with a list of the park-and-ride schemes that you indicated cannot be delivered during the period and some idea of costings? I realise that it is probably too much to tell us everything now. Secondly, do you agree that, as fuel becomes more expensive, car sharing and the greater use of public transport will become more important?

Mr Grieve:

In answer to your second question, that is one of the factors that we hope will effect a behavioural change. The move away from using the private car, which is so convenient for us all, is about giving people an incentive and showing them the benefits. Also, people having to pay so much for fuel loads the undesirable side of the equation and makes the desirable side more attractive. So that has its part to play in behavioural change.

Your first question was about park and ride?

Mr Beggs:

Can you provide the Committee with a list of the park-and-ride schemes that you do not envisage happening and an idea of their cost in a constrained budgetary time?

Mr Grieve:

I cannot do that right now, but I will take a note and provide that information.

Mr Lynch:

You set targets of 4% of primary-school children and 1% of secondary-school children walking and cycling to school. Are those targets really challenging?

Mr Grieve:

It will be interesting to hear what Sustrans has to say about that because it has worked with a lot of schools. We feel that they are challenging targets because it is not just a matter of continuing an upward trend. It is a matter of arresting a declining trend and moving it in the opposite direction. Although the 4% and 1% targets do not immediately appear to be particularly challenging percentage increases, we have to turn round an entire parental behaviour. It is a

matter of stopping and reversing the supertanker, and that challenge is hidden when expressed in purely numerical terms.

The Chairperson:

Thank you, Andrew, for your presentation.

Mr Grieve:

Thank you.

The Chairperson:

OK, we now move to Sustrans. Steven Patterson is the Northern Ireland director, and Liz Fawcett is the Sustrans policy adviser. You are very welcome. You have ten minutes to make your presentation, after which there will be five minutes of questions.

Mr Steven Patterson (Sustrans):

Thanks very much, Mr Chairman and Committee members. The initiative to hear feedback on the draft PFG is very welcome.

Our presentation will concentrate on four issues: the strengths of the draft PFG; gaps in the draft PFG and the investment strategy; milestones; and monitoring progress. I want to highlight the draft PFG target to increase the numbers walking and cycling to school, which Andrew Grieve mentioned. We call that active school travel, and we commend the Executive on the initiative. It is an important target. Governments in GB and the Republic of Ireland have well-funded and well-resourced initiatives aimed at getting more children to walk or cycle to school, but there has been nothing of the same scale in Northern Ireland.

The results of the GB initiatives can be seen in the comparative school travel figures for Great Britain and Northern Ireland. In Britain, 50% of primary school kids walk or cycle to school; in Northern Ireland, the figure is only 32%. So you can see that the difference is quite stark. That has negative implications for congestion, and it also means that many pupils are not using the school journey to take physical activity. As we know, only one in six young people does the recommended 60 minutes of exercise a day. Yet, in a pilot scheme at 18 rural primary schools in Northern Ireland, the targets set in the draft PFG are surpassed. Before the intervention in those schools, 23% of pupils walked or cycled to school. After working with the schools on capital and

revenue initiatives, 40% of pupils walked or cycled to school. So it is time to roll out that scheme to all schools in Northern Ireland.

In our view, there are four gaps in the draft PFG and investment strategy: lack of broad modal shift targets; a low percentage of investment in sustainable transport; insufficient focus on local travel; and no specific target for reduction in greenhouse gases, including, most importantly, transport-related emissions.

As already discussed, there is a need for targets on outcomes. Setting targets for the way in which the population chooses to travel is important, because they can provide a strategic focus for investment, thus helping to ensure value for money. That approach is much more cost-effective than simply opting for a shopping list of large capital schemes.

Broad modal shift targets to increase the percentage of journeys made by sustainable transport would have particular benefits. They would reduce congestion, journey times and transport-related greenhouse gas emissions. Setting modal shift targets would improve access to employment, bearing in mind that a quarter of all households in Northern Ireland do not have access to a car. It would improve travel choices for ordinary people, businesses and tourists, and it would improve health and quality of life. We consider it especially important to have modal shift targets because we are becoming a very car-dependent society, as the figures demonstrate.

Our presentation includes a graph showing the balance of transport-related investment in Wales and Northern Ireland. In Wales, just over half of all transport-related investment is in sustainable transport. Here, as we heard earlier, the figure is just 19%. We would like the current draft balance of transport investment to change. The draft PFG includes a target to spend more than £500 million on sustainable transport, but that is really just the total of the budgets for public transport, cycling and walking, as you heard earlier. We are concerned that, in the draft investment strategy, only £200 million is allocated to capital investment in public transport, compared with nearly £1.2 billion to roads. If we include walking and cycling under sustainable transport, we see that Northern Ireland compares poorly with Wales.

We have heard a lot today about long journeys and big money, but a lot of our journeys are local. Some 63% of journeys made are less than five miles, and we would like more focus on that. It is vital to invest in local transport, such as maintaining local roads and pavements,

developing quality bus corridors and innovative rural public transport solutions, as well as networks for cyclists and improvements for pedestrians. There is huge, untapped potential for active travel. One third of journeys are less than two miles, yet half of them are driven. Of the one in six journeys of less than one mile, one third are driven.

It is, perhaps, no surprise that transport-related greenhouse gas emissions are also an issue. The big rise in transport-related emissions in Northern Ireland coincides with a reduction in Great Britain. Indeed, Northern Ireland's transport sector produces more greenhouse gas emissions than any sector other than agriculture, and it is the only sector in which emissions continue to grow, thus undermining the good work of other Departments.

I will move on to milestones and outputs. Given the evidence, we believe that the overall active school travel targets are realistic. However, to achieve the draft Programme for Government's relatively modest targets, it is vital that DRD invests sufficient resources in the infrastructure and schools-based programmes that will be required to achieve it and that it begins the programme for delivery straight away.

Progress in achieving the active school travel target can be monitored through at least two sources: the Northern Ireland travel survey, supplemented by individual monitoring at each of the schools where programmes are being run to change the way that pupils travel. Any other broad modal shift target for transport could also be monitored through the Northern Ireland travel survey. As the DOE collates statistics on transport-related greenhouse gas emissions, monitoring performance against targets would be relatively easy.

Mr Doherty:

Thank you for your submission and presentation. They focus more on schoolchildren than adults. Have you carried out any study on how adults travel to work? Why is the focus on children and not more widespread?

Mr Patterson:

As we say in our presentation, we would like the draft PFG to have modal split targets across the range for adults and young people and for different ways to travel, such as the work journey. We focus on the school journey because it is a specific target in the draft PFG Government, and we re-emphasise that we would like the Committee to support that. The Northern Ireland travel

survey shows that, in Belfast, commuting by cycle has risen from 1% to 3%. We agree that there need to be more outcomes and targets in the Programme for Government and in future transport strategies, because only by concentrating on what you are trying to achieve through your investment can you decide how to invest. If there are no targets, for example, to increase public transport or cycling, that influences the schemes on which we decide to prioritise investment.

Mr Copeland:

Given the possible future effects of the envisaged rationalisation of the schools estate and the likelihood that schools will close and children will find themselves living further from their places of education, will that help or hinder the achievement of the targets for the number of pupils walking or cycling to school?

Dr Liz Fawcett (Sustrans):

It is, undoubtedly, a factor, and we have taken it into consideration.

The results of the Sustrans pilot on safe rural routes to school, which Steven outlined, must be borne in mind. The targets in the draft PFG are to increase from 32% to 36% for primary schools, and from 21% to 22% for secondary schools, the number of children cycling or walking to school. Sustrans hopes that DRD, or whichever organisation takes on the challenge, will achieve those bigger increases at the targeted schools. It does not help that some schools may close and that the average journey to school may become longer in some instances. However, if an intensive effort is made at the considerable number of schools across Northern Ireland to which many children will still be able to travel by cycling or walking, we believe that that target can be achieved. Obviously, not every school can be targeted with an intensive effort; it is about targeting the right schools. One will look at how feasible it would be to cycle or walk in the first place.

Mr Patterson:

The intervention that showed the modal change happened in rural primary schools. We think that there is more potential in urban areas, where the distances are shorter.

Mr Ó hOisín:

What is the cost-benefit analysis of the focus on local travel?

Mr Patterson:

I do not have the exact cost-benefit analysis. We assume that we need to make the best use of our limited capital transport funds, so it is surely about concentrating on the potential for change. Some 64% of journeys are less than five miles, so we should try to bring about a change from people driving to making other choices, such as walking, cycling and using public transport. There is significant potential there, and bringing about that change may not be that expensive. It is partly about a mindset of how the existing road space is used. The reallocation of current road space to public transport, walking and cycling is relatively inexpensive and can achieve positive change.

Dr Fawcett:

Part of the problem is that traditional cost-benefit analyses tend to look only at the number of construction jobs, for example, that a road scheme will generate in the short term. We should, however, consider the cost benefits of cycling and walking and add in the health benefits, such as a reduction in the number of people who will have to attend hospital with obesity-related problems. If we add to that the reduction in congestion, we are looking, collectively, at a very beneficial piece of work. It depends on how cost-benefit analyses are measured and whether you are thinking of a traditional cost-benefit analysis or in a more holistic sense?

The Chairperson:

Your time is up. Thank you for your presentation. Roy, if you pass your question to the Committee Clerk, we will send it to Sustrans.

The next presentation is from the Energy Saving Trust, and Patrick Thompson will begin. Patrick, you have ten minutes in which to make your presentation. That will be followed by five minutes of questions.

Mr Patrick Thompson (Energy Saving Trust):

Thank you for the opportunity to come to speak to you today. Ours is one of the less well-known organisations in this area.

We provide fleet advice on behaviour change and eco-driving information in Scotland, Wales and England. The evidence that I will present today is based on that advice activity and on the wider policy issues, but it is more about helping the consumer to make choices.

Sustainable transport cuts across many themes in the draft Programme for Government, but there was no explicit sustainable transport priority. I thank Andrew Grieve for putting a bit of meat on the bones of that earlier. As you can see, sustainable transport cuts across a number of strategies. I suppose that the underlying factor is carbon emission reductions, which is what we have been about for at least 15 years. What should sustainable transport look like? Consumers here need a suite of options. We have very high car dependency, and some areas will always be disadvantaged by limited public transport. We have problems with fuel costs being considerably higher in rural areas than in cities. Furthermore, not only are we wedded to our cars, we are welded to them.

Some people will not move to other forms of transport, and we need to look at what we can do to help them as well. We also need to look ahead to electric vehicles and alternative technologies.

Delivering sustainable transport will be complex. It can be many things to many people, but, ultimately, it is rooted in reducing overall transport emissions. With transport accounting for about a quarter of domestic emissions alone, we have problems there. Given the rural/urban split, the restricted public transport and our love affair with the car, we need a suite of options that includes people who are not able to cut journeys or use public transport or who simply will not make that switch. Those people cannot be ignored. We need to invest in the sustainable use of transport rather than simply promoting sustainable modes of transport.

Consumers need to be empowered to effect their own changes. We need to engage people beyond the big policy decisions such as road building, and the Government need to invest in providing advice on how people can make those changes. Behaviour change is seen as an important component in reducing travel-related emissions. The Energy Saving Trust has been providing behaviour-change advice on a range of themes for over 15 years.

The Department of Transport in GB has looked at behaviour change in the past and has concluded that advice and information is critical in engaging drivers in making informed decisions. Consumers need to be empowered to make those decisions themselves; they do not want to be preached to. However, advice and information for people who do not wish to car share or use public transport is lacking here. Eco-driving or smarter driving techniques are something that all drivers can use, whereas modal shift can and will affect only some of the

population. Keeping an eye on the all-island dimension is critical, particularly if we are going to look at the infrastructure for electric vehicles. If we can get people to drive efficiently in the cars that they have now, should they move to electric vehicles, they can use them just as efficiently.

Currently, Northern Ireland is the only UK nation that does not provide a telephone advice service for drivers to find out how they can save money and cut emissions, over and above schemes such as Travelwise, which provides useful information, and the public transport campaigns. We have provided transport advice to the Scottish Government for over 50,000 people in the past couple of years. We provide a travel energy check for drivers, which in six simple steps can help people to understand that, even if they had bought the best car in its class for emissions, rather than even buying a smaller car, they can save fuel, reduce emissions and cut down journey times. We also provide fuel saving tips. Rational vehicle choice is a critical first step. No one wants government to tell them to drive a smaller car when our car purchases are often done with the heart and not the head. Those are not rational decisions, and we need to address that.

Northern Ireland businesses with fleets need all the help that they can get. Advice needs to be tailored to companies that have fleets with large mileages, and not just for freight, but for company car drivers as well. We need to help them to drive down costs and make for a more efficient business. Current fleet sizes in Northern Ireland are much smaller than those in GB, and the tailoring of the advice would be critical to making that a success. Such an approach could also be extended to government fleets, given that councils and other bodies have large fleets of vans and lorries and other vehicles. The widespread implementation for learner drivers and licensed drivers (ECOWILL) programme, a European programme with which we are involved, incorporates energy-efficiency driving skills at the learner stage. There is potential there to provide behaviour-change advice from the word go, when people get behind the wheel for the first time.

The results of that work are easily evaluated. There are no specific milestones and outputs for sustainable transport in the draft Programme for Government, but, as you can see, fuel cost savings in Scotland and England can be as high as £350 a year; £250 is about the average. We have put that into perspective with the work that we do in energy saving; about £300 a year in savings can be made in a house by installing energy-efficient materials such as insulation. For drivers, there is no such cost; you just learn to drive better and in a more efficient way. When it

comes to green fleet reviews, we are seeing savings of around 11,500 tons of CO2 a year and mileage reductions of up to 5%. Seventy per cent of people whom we engaged with took specific actions with their own fleets.

The final point in our paper is, perhaps, an interesting one, as it shows that eco-driving techniques can cut the number of accidents. That brings a massive range of cost-cutting benefits that impact on insurance and healthcare treatment costs, vehicle replacement, downtime, police time and general road safety. Those are huge impacts that are, perhaps, less well known so far. Outcomes from this kind of advice are fuel cost savings, reductions in carbon emissions and economic benefits for business. It also gears us up for the next steps in a low-carbon economy and gives us definitive and measurable outcomes.

I will conclude with the gaps in the draft Programme for Government. We need more specifics on what sustainable transport is. We need to flesh that out and incorporate widespread behaviour-change advice, not just for modal shift but for everyone who uses a car. This is a quick hit for all motorists. Milestones and outputs very much depend on what the vision of sustainable transport is. Ultimately, they need to take account of reductions in CO2 emissions, the number of people advised and the number of people making public transport journeys. It is reasonably easy to monitor progress on advice. It involves monitoring the numbers advised and evaluating fuel savings from the advice received and the economic impacts for businesses that took advice on fleets.

The Chairperson:

Thank you, Patrick. We move to questions.

Mr Beggs:

You seem to be advocating the establishment of another advice service, the benefits of which I can see. However, are there too many advice services at the minute? We already have Travelwise and Sustrans. Would a third service complicate the issue?

Mr Thompson:

I do not think that it is about creating a new advice service or adding a third party. It is about making sure that there is advice that everyone can take on board. There will be people who will never move to public transport because they cannot or they will not. For them, it is not practical.

Mr Beggs:

Just to be clear: are you saying that big road schemes will not be good for the future?

Mr Thompson:

No. I am saying that big ticket items like that may not engage the consumer. Consumers need advice that they can take at their own level so that they can make their own decisions. They may not be that involved or that fussed about road building schemes, but they want to know how they could save money and how they could make better use of public transport.

Mr Doherty:

Thank you for your submission. You have set a target to have over 100 electric cars. Is that challenging enough?

Mr Thompson:

The electric car debate is interesting because we are in a chicken-and-egg situation. I would like to see people move to that kind of transport, but they will not do it unless the infrastructure is there or it suits their lifestyle. We perhaps need to advise people that there are situations in which choosing an electric car is right; for example, if they are in inner cities and doing small journeys. Whether the target is 100 or 1,000 cars, we first need to get the infrastructure, advice and information around it correct.

Mr Doherty:

When you talk about infrastructure, are you talking about infrastructure at garages or at a person's home?

Mr Thompson:

I am talking about charging infrastructure across the board. It is about whether people can get to Dublin and back, for example, or whether they can get to Fermanagh.

The Chairperson:

A programme for charging electric cars was considered for a new, very energy-efficient housing development. All of that has changed because of the costs involved and the fact that charging times and all the rest of it were considered unviable. At the end of the day, are the programme

and the spend viable in Northern Ireland? You talk about city driving, but is it viable for rural users?

Mr Thompson:

It depends on whether the infrastructure is in place to allow somebody to make the journeys that they want to. At the moment, there are probably other solutions that we can look at, be they increased public transport or better use of the vehicles that we have, before we make the step to electric vehicles. There is a parallel with, for example, using solar panels in houses. People need to insulate their house first and get it up to standard before they think of the next step. I would say that the same applies to transport.

Mr Lynch:

You talked a lot about a modal shift. How can that shift be best achieved?

Mr Thompson:

How do we lead people to other forms of transport?

Mr Lynch:

Yes.

Mr Thompson:

Advice and information play a part, and so, too, does seeing the benefits of park-and-ride facilities, for example, by driving for miles to a facility and then taking the rest of the journey from there. It is about providing people with options that seem to them to be practical.

The Chairperson:

OK. There are no indications of any other questions, so thank you for your presentation, Patrick.

We move on to Declan Allison from Friends of the Earth. Declan, you have 10 minutes in which to make your presentation, followed by five minutes for questions.

Mr Declan Allison (Friends of the Earth):

Thank you for inviting me to make a presentation. I do not have a PowerPoint presentation, so I will just speak to my notes. I deal largely with big picture issues. I thank those who spoke

previously for their more detailed contributions.

Friends of the Earth suggests that the current balance of spend is bringing our transport policy in entirely the wrong direction. Two big drivers are heading our way: climate change and a rise in fuel prices. We need to tackle those urgently. Climate change, in particular, is an urgent issue that needs to be tackled. The current balance of spend in the DRD budget is counterproductive. There are five key priorities in the draft Programme for Government, and I would suggest that the current balance of spend will make achieving those extremely difficult.

We have heard that about 80% of the transport budget is allocated to roads. Indeed, about 60% is allocated to just two roads: the A5 and the A8. We suggest that it is irrational and counterproductive to commit such a significant proportion of the transport budget to just two roads. In order to do that, DRD has to slash the budget for roads maintenance, public transport, walking and cycling. DRD admits that the proposed balance of spend will result in a deterioration of the current roads network and a reduction in public transport patronage. That is clearly counterproductive.

The roads bias is based on three myths. The first is that most people have access to a car; secondly, that road building is good for the economy; and thirdly, that congestion is a technical problem that can be solved by building more roads. I suggest that all three of those are wrong. The House of Commons Standing Advisory Committee on Trunk Road Assessment said that building more roads in an attempt to regenerate a region has the opposite effect. It actually sucks investment out of a region because firms find it easier to service that region at a distance. In Northern Ireland, for example, we can decide to build great roads to the north-west and to the south-west, but that could result in firms setting themselves up in Belfast to service those areas from there. It does not provide any real benefit to those outlying regions.

Public transport has a greater long-term economic benefit. Evidence from Los Angeles, for example, demonstrated that about 85% of every dollar spent on petrol leaves the local economy, whereas if 80% of that were spent on the wages of public transport workers, it would generate about \$3.80 in the local economy. Therefore, investing in public transport is a much better way of stimulating the economy than simply building more roads.

Of course, if you build more roads, you just move the congestion elsewhere. You are then left

with the problem of a new bottleneck, and you have to create more roads to overcome that. Essentially, you lock yourself into the endless cycle of building more roads, which is not a good thing. There is also the phenomenon of induced traffic, whereby people who would have left their car at home or had not bothered to buy a car decide that now that there is new roads capacity, they will use their car or buy a car. That creates more congestion, leading to more roads being congested, so you get into further difficulties.

I mentioned climate change, which, in our view, is probably the single biggest threat facing our way of life. Transport emissions have grown over the last while, and, indeed, since 1990, they have grown by about 38.8% over the 1990 baseline. The draft Programme for Government has a target of reducing carbon emissions by 35% by 2025. We argue that that is woefully inadequate, especially when compared with the targets in the UK Climate Change Act 2008, which are for a 50% reduction by 2027. You can also compare that with advances in the science of climate change. Friends of the Earth has produced a report called 'Reckless Gamblers', and it suggests that we need to make an 80% cut in our emissions by 2030. So, in that context, 35% is clearly inadequate.

The Berkeley Earth Surface Temperature report that came out in October confirmed that the planet is warming and that human contribution is the most significant driver of that. The International Energy Agency recently said that we need to tackle climate change, put policies in place and reduce our emissions significantly by 2017. You good people will probably still be in power at that time, so the decision lies with you. Taking action immediately will save us money. If we delay it until after 2020, it will cost even more. All that suggests that we need to take action immediately. If we have a transport system that is running counter to that, we need to rein that back and change the policy.

There is also the issue of transport poverty. You are all probably familiar with fuel poverty, but transport poverty is probably not quite so well known. The heavy bias towards cars in the current transport system is likely to exacerbate it. Many people in rural communities and urban inner-city communities do not have access to cars or, at least, struggle to run a car. In some of the poorest wards in Northern Ireland, car ownership is extremely low, and 80% or more of households do not have access to a car yet also have to cope with a pretty inadequate public transport system. So there is a real issue of justice. The decision to slash the cycling budget for Belfast will simply exacerbate that further.

I will talk a little about technical solutions. We have heard about electric cars, but I urge a little caution. They are a good idea, and we should invest in them, but, again, the suggestion is still that people have access to such cars. If we have to deal with climate change, electric cars that are powered by fossil fuel and heavy electric generation systems will not do a terrible lot and could be counterproductive.

We live in a financially constrained environment at the moment, and the simplest way to get people out of their cars is to build a decent public transport network and to invest in walking and cycling. With that in mind, we suggest that continued investment in rapid transit is probably not a good idea at this time. It is a perfectly laudable scheme, but it is expensive, and simpler, cheaper and more efficient alternatives include extending the quality bus corridors and the services on them.

To sum up, we have to take action very soon on climate change and rising fuel prices.

The Chairperson:

You have one minute, Declan.

Mr Allison:

The way to take such action is through investing in sustainable transport, not through the continuation or perpetuation of our car-biased, road-building transport policy.

The Chairperson:

Thank you, Declan. Members may ask questions.

Mr Ó hOisín:

Declan, you state that building more roads results in bottlenecks. That is certainly true in the case of the A6 at Toome. However, surely not building more roads would result in increased pollution. There are many examples of that as well. Do you agree?

Mr Allison:

No. If you get people out of their cars, it will reduce pollution. The way to do that is through public transport and providing sustainable means of transport. Take the A5, for example, which

starts at a small village and ends at a small village. It does not actually go to where people want to be going; you are just creating a bottleneck at the ends. That will increase congestion and pollution as people are stuck in traffic. Certainly, there are safety issues with the A5 and other roads with bad bends or junctions. Let us improve the safety of the road, but to do that you do not need to build an entirely new road that runs parallel to the existing road; you just need to sort out a few safety issues. That would be much cheaper and much more efficient. At the same time, you can use the money that you have saved to invest in public transport and sustainable transport modes.

Mr Beggs:

Friends of the Earth has been critical of large-scale roads schemes, and you are critical today. Does Friends of the Earth support some road-widening schemes? I am thinking about the A2 in my constituency. The average speed is 10 mph, and there is no possibility of a quality bus corridor because there is only one lane. Do you support some road-widening schemes?

Mr Allison:

As I said, where there are safety issues, such as bad bends or junctions, we can certainly look at that. As for the example that you gave, there is a perfectly good rail line that runs parallel to that road, so let us invest in that rail line and get people off the road and into the trains. Each example can be looked at on its own merit. We do not say that there should never be any new roads, but that should not be the first option.

Mr Lynch:

Thank you, Declan. You have been downgrading road infrastructure, but do you not agree that good road infrastructure would be good for public transport?

Mr Allison:

Certainly. We have a very good road infrastructure at the moment. We have about twice as much road capacity as the GB average, for example. We already have a perfectly good road infrastructure. We do not need more roads. We need good public transport, which is the one thing for which there is not good infrastructure. Road building is an extremely expensive way of trying to alleviate the problem of congestion or whatever the problem happens to be. It just moves the problem on. We were told that the Westlink, for example, was going to be a very important strategic transport route that would sort out the congestion issue. All that it does is

move the congestion to the end of the road, so the proposal is now to spend £100 million on a flyover at the Shore Road. All that we are doing is moving the problem along. If you invest in public transport, you tackle the problem at its source.

Mr Copeland:

Do you support the use of planning law in certain types of urban residential developments to plan out the car, which would increase the density and thereby reduce the cost by as much as 30% per unit?

Mr Allison:

Absolutely. Density is very important, and the planning system is absolutely crucial in that regard. We need to put sustainable development, climate change considerations, environmental justice, community involvement and all those issues right at the heart of the planning system. We will then be able to plan our cities much better so that people do not have to drive so much.

The Chairperson:

Thank you, Declan.

We now move to discussion four, which is on water and waste water. I invite John Mills, the director of water policy at the Department for Regional Development, to come forward. John, you have 10 minutes in which to make the presentation, after which there will be five minutes of questions.

Mr John Mills (Department for Regional Development):

Good morning. The draft Programme for Government sets out a number of aims, and they are fairly self-explanatory. The first is to not introduce additional charges for water during the Budget period. That is a reflection of what is in the Budget document: it said that the Executive decided, in the light of the current economic downturn and the ongoing financial pressures on households, that they should continue to defer the introduction of domestic water charges. The Department will, therefore, continue to pay an annual subsidy of around £270 million per annum, and, next year, primary legislation will be required to extend the Department's power to pay that subsidy beyond 31 March 2013. The other side of the funding is the governance, and the Minister is currently considering the options for long-term governance and funding.

I will move on to the industry targets on drinking water and waste water. The Executive propose to invest over £600 million during the draft Programme for Government period. The Executive's current key investment priorities for Northern Ireland Water (NIW) are set out in the social and environmental guidance document that was agreed in April 2010. The main principles of that are based on affordability, EU compliance, service delivery and improvement and sustainability. That significant investment will enable NIW to maintain current high levels of drinking water quality, continue to improve waste water treatment and deliver more efficient and sustainable services to customers. The investment will also provide much-needed work and jobs for the local construction industry. The drinking water and waste water targets for year 1 have been set through the regulator's price control, PC10, as it is referred to. Those are set out for year 1. Targets for years 2 and 3 will be determined by a revision of the regulator's price control process, PC13, which has just got under way.

Finally, I will move on to long-term water and waste water investment. The photos included on this slide summarise the realities faced by Northern Ireland Water. The four smaller photos show the positive side; clean beaches meeting European bathing-water quality standards, improving water quality in our lakes and rivers and high-quality drinking water and waste water services. However, those long-term achievements can be outweighed by the immediate impact of flooding, pollution incidents or major interruptions to supply, as reflected in the larger photos.

Continuing investment is needed to maintain the positive aspects and address the negative ones. The draft investment strategy for Northern Ireland proposes over £1.2 billion in investment over the next 10 years. That should enable us to maintain the current high standards of drinking water. However, at £100 million a year, after the current Budget period — that is, after 2015 — the long-term investment levels in the draft ISNI are lower than the level that the regulator is currently recommending is needed for investment in water. Therefore, we face challenges to improve the standards of waste water collection and treatment to meet European quality requirements, including the water framework directive and other changes, such as revised bathing water and drinking water standards, the increased lead standard and so on.

Of course, the investment strategy and the Programme for Government are draft proposals that will ultimately be informed by the ongoing public consultation process. We, therefore, look forward to receiving the views of the Committee, the Consumer Council, Northern Ireland Water, the regulator and other interested parties through the consultation process.

The Chairperson:

Thank you, John, for that presentation.

You mentioned that the Minister was currently considering governance issues within Northern Ireland Water. Can you assure the Committee that those will be addressed during the current CSR period?

Mr Mills:

Well, I can assure you that the Minister is attempting to address them. Whether they will be addressed requires a level of political and stakeholder agreement across the board to resolve them. However, the Minister certainly intends to bring forward proposals or options to the Executive by March 2012. That is the target in DRD's own business plan, which I think has only just been sent to the Committee.

Mr Beggs:

I understand that, under the sewage treatment requirements, a wider range of facilities will have to be upgraded in smaller towns during this period because of changes in the regulations. Are you satisfied that we will not have a risk of infraction, given the current level of investment envisaged over the next four years?

Mr Mills:

What we have at the moment is a good investment programme. It is somewhat less than the regulator recommended; £50 million, roughly, next year. Next year is likely to be one of the harder years. Unless something new comes up in the short term, the investment is there to make improvements on waste water. Going forward beyond that, I think that we would have concerns.

Mr Beggs:

You say that there is £50 million less than what was recommended. My question is very specific: do we have sufficient resources to avoid infraction proceedings against us and potential fines?

Mr Mills:

I think that that question is impossible to answer, because European requirements change —

Mr Beggs:

Current requirements.

Mr Mills:

If we take things as they are, the answer is yes. We are not one step ahead of infraction — as the previous Minister would say — as we were in 2007, when we had three live infraction cases.

Mrs D Kelly:

Thank you, John. You say that the overall investment is somewhat less than the Utility Regulator said you would need. In an ideal world, what investment is really needed to bring the whole infrastructure, whether it is waste water or sewerage infrastructure, up to date in terms of what is required?

Mr Mills:

That is a good question. A previous chair of Northern Ireland Water told me that there was no limit to what you could spend on sewerage, but — to try and give a very simplified answer — I think that we are looking at a number around £150 million or £180 million per annum over a fairly sustained period. A couple of other things that would really help would be if that was a fairly constant level of investment, rather than going down and up. That is difficult for Northern Ireland Water to manage. Obviously, the public expenditure controls mean that things like end-year flexibility are not available to Northern Ireland Water, which again is not as good as it could be.

Mrs D Kelly:

It is a feature in Roads Service that, if there is money that is underspent in other Departments, it can be spent by Roads Service. Does NIW have projects that are, in the new phrase, shovel-ready if money were to become available?

Mr Mills:

Yes, it does. Let us say that Northern Ireland Water wants to invest £150 million at the start of a year; it will have projects of about £180 million to meet exactly the point that you make.

The Chairperson:

When you state that the final Programme for Government and ISNI proposals will be formed by

the public consultation, are you really suggesting that the Department does not have a short- to medium-term plan for Northern Ireland Water? Is it really reliant on suggestions coming forward, either from the organisation itself or from relevant stakeholders?

Mr Mills:

In terms of governance?

The Chairperson:

In terms generally where you have stated within the programme that:

“The final PiG and ISNI proposals will be informed by the public consultation.”

Is that really all that you have? Are you saying that the Department does not have a plan in place for Northern Ireland Water, or at least some thoughts about the whole thing?

Mr Mills:

Yes, there is a very detailed plan in place until 2013, through the regulator’s PC10 process. That sets out 26-odd key targets. There is a very large list of infrastructure projects to be taken forward. Those are all monitored by the regulator, who is carrying out another revision and will produce detailed plans going up to 2015.

The Chairperson:

OK. Thank you for the presentation.

We move to Northern Ireland Water and Trevor Haslett, the chief executive. Trevor, you have 10 minutes to make your presentation and five minutes to answer questions.

Mr Trevor Haslett (Northern Ireland Water):

Thank you, Chairman and Committee, for the opportunity to comment on the Programme for Government and also to support the theme of building a better future. Northern Ireland Water has an important role in most of the priorities that have been identified, and I hope to touch on most of them this morning, including our Go-co and non-departmental public body (NDPB) status, which John has just commented on. I support what John has said; it is not ideal for delivering efficient services in the long term. I am accompanied this morning by George Butler, our director of asset management.

I notice that the Programme for Government makes reference to what has been achieved. Northern Ireland Water has played an important, if sometimes understated, role in what has been delivered locally — £1 billion of capital investment since being established as a Go-co, for example. That investment, and the hard work of the staff on the ground, has ensured the best ever drinking water quality and waste water compliance. That translates to achieving compliance with stringent EU standards. We are catching up rapidly; in fact, I believe that we are ahead of most of our European counterparts in this area. We are very proud of what we have achieved, particularly in rural areas. I will illustrate that later, continuing the theme of the Programme for Government. Despite what many think, we are reducing pollution incidents year on year, the main source of the only serious negative news that we have had recently.

We will continue to balance our priorities. We have talked about funding — at least, John has mentioned it — and investment to ensure that all parts of the community benefit, both urban and rural. We have already targeted areas where we can support the increase in visitor and tourist numbers, for example, proposed in the Programme for Government. Newcastle and Benone are two examples of locations where treatment works are being upgraded at the moment. Those are flagship areas of the Province. We continue to work with stakeholders to ensure that our social and environmental guidance, which underpins our objectives and business targets, delivers the best outcome for customers. That includes inclusivity in our procurement contracts for small and medium-sized enterprises (SMEs), which is also covered in the Programme for Government. We have adopted a sustainable approach to investments and have actively sought greener and more energy-efficient solutions, setting challenging targets such as low-dig technology, recycling excavated material and reducing waste from our sites and depots — that is to mention just some small examples.

Northern Ireland Water has an important role in the shared priorities of the Programme for Government. I can briefly illustrate some examples. In terms of priority 1, Northern Ireland Water has already achieved a target of 15% renewable energy use. Since we are the biggest user of electricity in Northern Ireland, we not only have made huge strides in energy efficiency but are committed to delivering our responsibilities up to 2015 and beyond. It does not just stop there. By enhancing our infrastructure, we have played and continue to play a part in providing a modern infrastructure to attract not only visitors but industrial inward investment. It is also our aim to work more closely with the private sector and to see if we can contribute to building the export market that is mentioned in the Programme for Government.

Under priority 2, we will do our part in matching the infrastructure with a social housing target. We will also make a commitment to employing more apprentices, to give younger people a start on the career ladder. I also note that no additional water charges will be introduced during the Programme for Government period. You would not expect me to comment on that, so I will not.

As regards priority 3, Northern Ireland Water is fully regulated by an environmental and economic regulator. We are delivering against targets in a challenging economic environment. We are investing in accordance with the priorities identified in social and economic guidance and are working with stakeholders to enhance biodiversity on our landholdings. We have reduced pollution incidence, as I mentioned, and maintained our improvements in drinking water quality. That does not come cheap, and I for one recognise the level of public investment that has been put in to Northern Ireland Water over the past five years and, indeed, is proposed under the Programme for Government.

Under priority 4, we have built some better relations with our customers, despite what happened last Christmas. I notice that John has that photograph on his slide; the photograph that I love to hate. However, it is used as a motivator for staff. We have a strong internal culture of support volunteering with local communities, particularly up in Westland, where our new headquarters are. We plan to spend a lot of time in Northern Ireland Water on volunteering.

On priority 5, providing a service to the public, our record speaks for itself, with year on year efficiencies. By rationalising our estate, our offices and our depots, we are delivering better value to the taxpayer.

We do have concerns with the Programme for Government. It is inevitable that, under the current fiscal restraints, tough decisions will have to be made on investment projects, guided now by meeting the objectives of the Programme for Government. We believe that water and sewerage services should be delivered within a long-term framework. It is not efficient to run a capital-intensive business with no end-year flexibility or certainty of financing. Working under the current status of NDPB and Go-co is far from ideal. We need to be flexible, to make speedy decisions, to have autonomy and to have less governance but more governance support. We need to be fleet of foot to react to a changing environment. I do not think that anyone would ask Usain

Bolt to run the 100m wearing diving boots, but sometimes it feels like that in Northern Ireland Water.

I am happy to take questions, Mr Chairman.

The Chairperson:

Thank you, Trevor.

Mr Ó hOisín:

One of the commitments under the Programme for Government is the increase in online services. Certainly, if last winter teaches us anything, it teaches us about the dissemination of information. What are the plans or proposals within NI Water to be more open through, perhaps, social networking and online services?

Mr Haslett:

Since the freeze/thaw last year, the customer relations centre (CRC) has spent a lot of time on that. We have opened up quite a lot of the new lines of communication that you would expect, besides enhancing our website to make it more customer friendly. We have recently approved a business case that would mean that if someone wants, for example, to order a septic tank emptying, they can do that online without having to go through a series of phone calls. It will be the same for new water connections for any member of the public. That business unit, or that part of the system for the CRC, will be developed over the next few months, having been approved as a business case, to try to give us a one-stop shop in the CRC.

Mr Doherty:

Thank you, Trevor, for your submission.

Given the experiences in Scotland, England and Wales around the model of delivery, what model would you like to see emerging here, now that the Executive have set their faces against water charges?

Mr Haslett:

I was down in Dublin two weeks ago, and one of the Scottish Water directors spoke just before me. It goes back to that word that I used: flexibility. Scottish Water has more flexibility in how

it runs its company. I have to say, because the director said it, that that is because there is less political interference. The phrase that he used was: “make sure that the politicians stay off the park.” We were at Croke Park at the time, so I would not want to comment on what I said. It is about better flexibility. The model that Scottish Water set up evolved in nearly the same way that Northern Ireland Water did, from local councils through what was then three regions. We had four regions; we now have one, and we have reduced the number of depots. It is around charging. There is no point in hiding that. Scottish Water levies its charges through the rates. By charging through the rates, the level of public subsidy is more visible than it would be locally. From what I understand about the public subsidy, if we can get it to less than 50%, we could move more towards a Government company, as opposed to an NDPB.

Mr Doherty:

You mentioned that you were in Croke Park and talked about politicians being kept off the park. It should be noted that a lot of players at Croke Park subsequently became politicians.

Mr Haslett:

Yes.

The Chairperson:

I do not know whether that was a question or not, Pat. I should not have let you back in again.

Mrs D Kelly:

On the point about comparisons with the English, Welsh and Scottish water companies: the Utility Regulator’s analysis shows that for every £1 spent by an efficient company, NI Water spends £1.64. How is the Programme for Government going to allow you to address the inefficiencies within NIW?

Mr Haslett:

As I said, we have made huge strides in efficiency, sometimes despite the restrictions of being both a Go-co and a non-departmental public body. The Scottish Water model and the Welsh Water model are all about a clear income stream. Our operational performance assessment scores, which I think is what you are quoting from, Dolores, show us that we have been steadily increasing over the years. We have a long way to go to become more efficient, but Northern Ireland Water is striving hard to make those improvements, in line with Scottish Water.

Mrs D Kelly:

The question was whether the Programme for Government allows you to maximise those opportunities. Perhaps you could also tell us how, if your asset base requires £80 million of investment year on year just to stand still, given the commitment that there is within the Budget and PfG to NIW, it is going to be a very difficult three years for you to maintain, build and develop.

Mr Haslett:

We have to prioritise the investment that we have. To go back to Roy's question about the infraction areas: we did have nine out of the 13 infracted areas in the UK. We no longer have that on waste water treatment works because of the investment that we have made. Most of our investment in the infraction area is aimed towards sewerage schemes. We have only one area — up on the north coast, at Ballycastle, which in fact has a scheme in the programme — that could become infracted if we do not get started on it pretty quickly. We have prioritised what we can. Looking ahead, most of the difficulties, I expect, will be in trying to improve that waste water target year on year. We have a very successful rural investment programme, with much smaller areas, which has been going on for some five years now.

Mrs D Kelly:

Chair, some of that is PFI.

The Chairperson:

Sorry, Dolores. Roy Beggs.

Mr Beggs:

You mentioned the difficulty that you have with the lack of flexibility in your finances, etc. What is the risk of that to how you operate as a company and utilise public money?

Mr Haslett:

The risk of that was demonstrated last year. If we think that we cannot invest during the year, we have to surrender finance. That is not just because Northern Ireland Water is not delivering anything. In fact, last year, and not just because of the freeze/thaw situation when a lot of work stopped, we were seeing a lot more competitive tenders coming in from the market, much lower

than our estimated costs and the costs that were in the programme. We have to bring forward schemes to put in to the programme to do those, and we also had some procurement issues that impacted on that. That is being transparent about it.

This year, we said in the capital investment programme that we are holding our £145 million expenditure to make it this year. Looking forward to the PfG, George's asset management team will have to look at how that £600 million is spread over the priorities that we have to meet, any EU infraction priorities, and ensuring that everything in the PfG, such as servicing social housing and the tourist industry, is actually met through that investment.

The Chairperson:

Thank you very much indeed for the presentation, Trevor. It has been worthwhile. Michael, you had a question; if you pass it to the Clerks, they will forward it to Northern Ireland Water for written answer.

The next presentation is from the Utility Regulator. Jo Aston is the director of water regulation. Jo, you have 10 minutes to make your presentation, and then five minutes of questions.

Ms Jo Aston (Utility Regulator):

I want to say hello to the Committee and thank you very much for the opportunity to give you the Utility Regulator's views on the Programme for Government and the investment strategy for Northern Ireland. You asked us to particularly focus, in our oral evidence, on the gaps, the milestones, the outputs and the monitoring aspect. I am going to dwell a little bit more on the concerns and issues that we have on looking through the Programme for Government. It will not be surprising that, since we are an economic regulator, our focus is on the investment side.

The slide shows what we picked up, in very short bullet points, as being in the Programme for Government and the long-term infrastructure strategy. There will be no additional water charges, and that immediately has us asking where the funding is coming from for Northern Ireland Water. We have questions about its quantum and security. The Public Accounts Committee picked up on the point about the security of funding for Northern Ireland Water as well.

As regards maintaining the high quality of drinking water, it is the best it has ever been, and

that is fantastic. We have percentage targets in there for waste water treatment. I suppose that the question is about putting those alongside all the other drivers for investment. They cannot be looked at in isolation. We have drivers for growth, to facilitate development, and we also have, as Dolores mentioned, the need to maintain the existing asset base. Through the price control process, we will look at all those factors and bring them together.

The sustainability and other targets that are in both programmes are very helpful. It is really good to get targets and visions for the future that can be put into the regulatory process and brought forward.

In respect of the funding levels, we tried to look at what was in the Programme for Government and what was in the investment strategy for Northern Ireland. We also looked at what we had identified in our price control final determination. That is when we come to the end of a review of Northern Ireland Water's business plan and scrutinise all the drivers for investment. The funding that we identified for Northern Ireland Water in the first three years of PC10 equates to an annual spend of £188 million. The Programme for Government has brought it down to £167 million. The investment strategy for Northern Ireland indicates £100 million a year, which is quite concerning. We have done benchmarking in relation to the asset base of Northern Ireland Water; it is £6 billion. What would you do in looking at the assets? Northern Ireland Water has a very extensive asset base, and it needs to maintain that to maintain the levels of service. That was tested in the freeze/thaw situation last year.

Our benchmarking, and what we have allocated to Northern Ireland Water through PC10, is £80 million a year to maintain that asset base. That is pretty scary when you look at £100 million being allocated to Northern Ireland Water from the investment strategy for Northern Ireland. You still have growth. You still have EU directives knocking on the door. That was a springboard for water reform in Scotland, England and Wales and, indeed, here. Infractions cost potentially £350,000 a day. It is quite frightening, and that is a concern for us.

Moving on, I have outlined some of the risks that I have identified. We still have EU statutory compliance. We have to comply with EU directives, otherwise we could be open to fines. We still have the urban waste water treatment directive, and while we are out of the very near threat, through investment, it is still knocking on our door. A number of our waste water treatment works have already been pushed out because of reductions in capital expenditure for PC10.

We still have pollution incidents. There has been a very big investment in sewage treatment works, but it has been focused on the larger waste water treatment works. There is a big job of work to be done on the smaller works. As regards improving the levels of service, Northern Ireland Water is going in the right direction. It is improving the levels of service, but there is still a big gap between where it sits now and where the English and Welsh water companies sit, so it needs to continue to do that. It is not all about money; it is about having the freedom and the focus and business acumen to deliver that.

You heard Trevor speak about the sustainability agenda. Northern Ireland Water is on top of that and is already driving ahead. Again, it will be good to have those targets in there. Northern Ireland Water will be able to put them into its business plan, and we will be able to consider them in our regulatory price controls.

Capital is a big issue in terms of the current NDPB status of Northern Ireland Water. Trevor mentioned the difficulties arising from an annual focus of spend in relation to procurement and being able to deliver efficiently and to programme your works. PC10 is only for three years, and the capital expenditure is fairly flat. The Programme for Government and the current comprehensive spending review have left us with a very peaky capital investment for the first number of years. That is not a good way to run your programme. It is very difficult to start major works and then stop-start them, because you have that big baseline of capital spend. You can see from the slide the dramatic fall under the investment strategy for Northern Ireland, which reflects the £100 million per annum. I know that I am labouring the point, but just maintaining your asset base costs in the order of £80 million per annum, so that is a bit of an issue.

The next slide is on operating costs. The red line shows when the company was in with the Department. You could say that that is very low, which is great, but there is then a big increase. There is a big increase because we also had the PPP schemes coming on board, and those are considered an operating or service cost. The thing to focus on is that the line has peaked but is coming back down again. Northern Ireland Water has achieved its target for PC10. In fact, it has exceeded it. We have published our cost and performance report, and that is very good news, and, at the same time, Northern Ireland Water is improving its level of service. However, there is a lot more to be done. Dolores mentioned earlier the £1.00 versus £1.64, and it needs to get after that. That will help with capital as well.

You mentioned milestones, outputs and monitoring and asked how that should be done. I will reflect on the regulatory process. We talk about price controls. Price controls span a number of years. Our current one, PC10, spanned three years. The company works up a detailed business plan and submits it to us. We scrutinise that plan and look to make sure that it reflects any targets and the social and environmental guidance published by the Department. I see that as being the vehicle by which the milestones from the Programme for Government can be taken on board by the company. We will scrutinise that to make sure that the company is delivering. The business plan also includes consumer consultation with consumer bodies involved in the process and public consultation. It is a very open, transparent process. What we end up with is a contract between the regulator and the company. We look to have a good monitoring plan, which we do have for the current price control, and to assess on a quarterly basis how Northern Ireland Water is doing on that. As we did last week, we publish an annual cost and performance report. Therefore, we are on top of that. It is a good process, and I am very happy to take any comments. We briefed the Chair and Deputy Chair on that cost and performance report last week.

I will move on to sustainability. That is the way to go, given the big water framework directive that is a requirement for the company at the moment, and which is very much sustainability focused. It is not all about capital spend. We need to look across and see what the best solution is out there. Therefore, there is an opportunity, and it is helpful to get some sustainability targets in there. There is a big focus on working with the company to get the right information, targeting the spend and thinking about what the best solution is, not just a capital one.

Finally, I will draw on my conclusions. A big number appears under funding, but, when I start to look at that on an annual allocation, I see that it brings risks. It brings risks to the levels of service, and it brings the risk of potential EU infraction. The Government subsidy, and Northern Ireland Water's consequential classification as a non-departmental public body, brings with it constraints. Those constraints impact on the company's ability to maximise. All the water companies started out in the same place as Northern Ireland Water in efficiency and performance. English and Welsh water companies took 20 years; Scotland took 10 years. I think that Northern Ireland Water has been inhibited in how quickly it can deliver.

Targets and milestones are very positive. It is good to have those in there, and they can feed

through to the social and environmental guidance. However, they need to be looked at alongside other funding and other drivers for investment. To reiterate on that last point: Northern Ireland Water is performing and delivering, and we want to continue that line of travel for the future.

The Chairperson:

Thank you very much, Jo, for that presentation. To continue on a theme from some of the other presentations: how significant are the current governance arrangements for Northern Ireland Water in the Northern Ireland context? What are the issues, as you see it, around those?

Ms Aston:

Water charges is a difficult political issue. Take a step back and think about funding, as opposed to charging. Northern Ireland Water's problem at the moment is that it has its hands tied behind its back. It has too much governance. It is tied into public expenditure, as well as being a government body. Northern Ireland Water needs to get back to being a government-owned company (Go-co) that is responsible to the regulator, has the freedoms of a company to make the decisions that it has to make quickly — flexibility on capital spend, in particular — and has more flexibility with its operating costs. It is about getting it out of its NDPB status in the first instance and then giving it much more autonomy to be accountable and responsible for its own decisions.

Mr Doherty:

Thank you for your submission. You talk about the potential for EU infraction. Can you elaborate?

Ms Aston:

Through the price control process, we look at all the investment drivers. We work very closely with the Environment Agency and the Drinking Water Inspectorate (DWI). It is really those quality-driven agencies that look to ensure that we are compliant with the directives that are coming along. Even for PC10, Northern Ireland Water had a list far longer than what it could afford to do. Affordability does come in here: not everything can be done. All that I know is that, in the current PC10 price control, some of the waste water treatment works that were prioritised had to be delayed because of the reduced investment.

How close is the potential for EU infraction? I cannot answer that directly, except to say that it is still there. Through our price control process we seek to mitigate that risk, because the list is

very long. We come up with what the investment need is, and it has already been cut in PC10. I suppose that the Environment Agency will be able to give you more information on how close, or how real, the threat of infraction is.

Mr Lynch:

Thank you, Jo. Can the price control process be adapted to take on board the PFG milestones and commitments?

Ms Aston:

Yes. It is all about the social and environmental guidance that the Department issued to the company and to us. It is what the company then looks to achieve. By statute, that social and environmental guidance has to be consulted on and laid before the Assembly. It very much buys everybody into the process. If the PFG targets are there, the Government are the policymaker, and those are the targets that should be met.

The Chairperson:

Jo, thank you very much for your presentation. It was very helpful.

The next presentation is from the Consumer Council. Graham Smith is its interim head of water. Graham, you have 10 minutes in which to make your presentation and five minutes for questions.

Mr Graham Smith (Consumer Council):

Thanks for the invitation. I do not have any slides to show you; it will just be me speaking.

You will have already heard a lot of what I have to say — *[Inaudible due to mobile phone interference.]*

The Chairperson:

Sorry for interrupting. Somebody has a mobile phone on, and it is going to interfere with the recording equipment that Hansard uses. Sorry about that.

Mr Smith:

As previous presenters have said, we have seen significant improvements in both water and waste

water services in the past couple of years through increased investment and increased service provision. The draft Programme for Government contains two specific water commitments, which are related. I will be concentrating on the three points that the Committee asked to be covered, which are the gaps in the Programme for Government, milestones and outputs, and the best way in which to monitor progress.

The first commitment is to ensure that there are no additional water charges. The recent Family Resources Survey (FRS) gave us an indication of the grim reality for many households in Northern Ireland, with 23% of individuals, 28% of children and 26% of pensioners living in poverty. The average unmeasured bill would be just over £400 a year, so we welcome the decision to continue to defer domestic charging. It provides welcome relief to hard-pressed households. However, we are aware of the difficulties and risks created by that. The reclassification of Northern Ireland Water as an NDPB impacts on its finance and governance. The lack of end-year flexibility and the potential for VAT costs have been spoken about this morning. We need clarification on whether the current pricing policy contravenes article 9 of the water framework directive.

I was interested when John Mills said that the Minister will bring forward proposals. The gap is not with the commitment in the Programme for Government. Where we see the gap is around what we do now that we have a bit of time to look at the longer-term future for Northern Ireland Water. The difficulties and risks mentioned need to be understood in detail. Options for mitigation of those risks need to be looked at in detail. The review must consider the short- and long-term finances of Northern Ireland Water. We must look at the social utility to the consumer, who is being protected from the additional charge, and compare it with the reality of additional costs overall to Northern Ireland to provide a water and sewerage service.

The investment strategy explains how, because we have less money to go around, the Executive will invest in better and more efficient ways in which to deliver our essential public services. The continued deferral up until 2015 will give us an opportunity to have a look at that.

On the milestones and outputs on that commitment, the output is to apply policy, and that is very straightforward to monitor. An additional milestone may be a commitment to setting out a timetable for the evaluation of the long-term options for Northern Ireland Water.

The second commitment is to maintenance, pipes, quality drinking water and compliance with water standards by investing £600 million. That £600 million-plus is obviously a substantial investment over the Programme for Government period, and work is under way to determine the best way in which to spend that through the PC13 price control. It is less than the Utility Regulator assessed was needed and is having an impact on what we would like to be able to deliver for consumers.

In the longer term, the draft investment strategy allocates, as we have seen, around £100 million a year to water and sewerage services beyond 2015. Although my figures vary slightly from others presented, I can tell the Committee that Northern Ireland Water requires in and around £200 million a year to maintain its assets and to meet agreed targets and service improvements. The £100 million would cover only the cost of maintaining and would not allow much room for service improvements.

We have concerns. Longer-term funding levels are seriously inadequate. We have seen the significant challenges that lie ahead for our water and sewerage services: growing and changing populations; climate change and carbon costs; increased environmental standards; and the increased risk of flooding. The investment strategy clearly explains that investment is needed but then comments on improvements to the extent possible where funding allows. What will be possible might not be enough. In the shorter term, if clearer links between investment and outcomes are provided, there are advantages in investing now. The downturn in construction means that contracts can be negotiated at more favourable rates, meaning cheaper prices now, which would lower the costs to consumers. Consumers would get the benefit of an improved service earlier, and jobs would be created with the social clauses as explained in the investment strategy.

The reality of restricted finances over the period requires solutions that are more sophisticated than simply building more. We support the proposal from DRD to take a more strategic approach to price controls, looking beyond each five-year period. Taking such a strategic view would help bring together the many policies that contribute to the management and betterment of our water environment and our water and sewerage services. On the milestones and outputs, we support completely the milestone to comply with regulatory targets. What those targets are may be the question. We would also like to see a commitment included to develop a more strategic approach and to look at price control as a five-year period within a 25-year plan.

On the best ways to monitor progress, the current regulatory regime provides a comprehensive and robust way of monitoring the improved delivery of our water and sewerage services.

To conclude, we see two issues. First, now that we know that domestic charges are to be further deferred until 2015, that allows us the opportunity to take a serious and sensible look at long-term options. We need to take that opportunity. Secondly, the reduced capital available, especially in the longer term, is unlikely to be enough to meet the demands placed on Northern Ireland Water, and we need to have serious consideration of that.

The Chairperson:

Thank you very much, Graham. What did you mean by a “catchment management” approach in your paper? How would that benefit the process and, more importantly, how would it be funded?

Mr Smith:

The catchment management approach looks at the totality of the water cycle in certain geographical areas. It involves the management of water all the way through: rain through to ground water, into the river, and so on. By improving management across the catchment and managing water better from source before it gets to Northern Ireland Water, we reduce the amount of treatment that Northern Ireland Water needs to administer. The same applies to the reverse situation on the waste water side.

As for how it will be funded —

The Chairperson:

First, how does it benefit the process?

Mr Smith:

If we manage, for example, rain falling on agricultural land in a way that is more environmentally friendly, there are fewer nasties in the raw water for Northern Ireland Water to take out. Therefore, Northern Ireland Water has to do less cleansing of that water, and that means using less energy and fewer chemicals.

You asked about the funding of the catchment management approach. I do not imagine that it

would be a massively expensive project. I think that it is more about —

The Chairperson:

That is not the question, Graham. I am asking how it would be funded. The approach is your suggestion, so surely the Consumer Council has some idea how it would be funded.

Mr Smith:

We do not think that it would take a huge amount of funding. Through taking a longer strategic view, it would be a question of aligning all Departments and policies. That is already starting, but we think that it might need to be given more emphasis.

The Chairperson:

The answer is that you do not know how it would be funded. Is that right?

Mr Smith:

I do not think that it would require any additional funding. It is a change in approach rather than a change in financing.

The Chairperson:

We will park it there for the moment.

Mr Doherty:

Thank you for your presentation. You talked about the difficulties with, and the risk caused by, the current structures. Part of your focus is on revenue source, and your concern is about the lack of end-year financial flexibility. How do you propose to deal with that?

Mr Smith:

That lack of flexibility is a difficulty, and everyone who spoke today mentioned that. It is about the social utility to the consumer: we must compare introducing to the consumer an additional household charge in the form of a water bill with the risk of Northern Ireland Water becoming increasingly inefficient in delivering its capital projects. We need to look at that during the period. I do not have a definitive answer for you today as to how we can overcome that. A political decision made after weighing up all the options might mean that we will not have a water charge in Northern Ireland. In that case, we would have to accept the increased

inefficiency, or difficulty, built into Northern Ireland Water through its not having that end-year flexibility.

Mr Copeland:

Thank you for your presentation. If possible, I want to get some clarification. I may have misheard what you said about milestones and targets. You appear to be in agreement with the chief executive on the targets but question what the targets are. That sounded a bit strange to me.

Mr Smith:

I will clarify: the target is to reach regulatory targets for drinking water and waste water. Those have been set for the first year of the programme but not for the following years. Therefore, it is a matter of looking at what those targets are. Currently, the quality of drinking water, for example, is the highest that it has ever been in Northern Ireland. Should we set a target that is 0.1% higher and spend an awful lot of money chasing it, or should we accept that it is OK as it is and seek to maintain that high level?

My assumption is that that target will continue. That was what my comment was about. I was merely saying that the targets have not been set yet, so we need to make sure that those are the right targets for years 2 and 3 of the Budget.

Mr Copeland:

Compliance itself is the baseline target, yes?

Mr Smith:

Yes, there are regulatory compliance targets set.

Mr Beggs:

The Chairman was questioning you on this idea of water management, and you said that there were minimal costs involved because it was simply changing policy, and so on. Have you looked at the overall approach and at how it might cost the economy?

Mr Smith:

The short answer is no. Not in detail.

Mr Beggs:

Is that not a major flaw? Surely we need to know how it will affect businesses out there. I declare an interest as somebody who owns 25 acres of land.

Mr Smith:

Having a more sustainable management plan would cost less to do. If it means using less energy and fewer chemicals to manage the land or the water cycle, we see that as being less expensive.

Mr Beggs:

Do you agree that a look needs to be taken at the overall expense of all the businesses and the entire water industry —

Mr Smith:

Yes, it needs to be looked at holistically. It is not about picking out Northern Ireland Water and looking at what it does or at what, say, the Department of Agriculture and Rural Development does. It is about looking at it holistically.

Mrs D Kelly:

You said that the average cost per household of unmeasured water was around £400 and therefore welcomed the freeze on any introduction of water charges per se. What analysis, if any, have you done to determine how much water is wasted in households? Is the £400 a consumption estimate or one that includes both consumption and possible wastage?

Mr Smith:

The £400 would be an unmeasured bill. It would not be a metered charge; it would not be how much water the household uses. How much water is wasted in the household? I think that every household could use water more efficiently and improve how it uses water. It is difficult to get a wastage figure per person, per household. There are figures for consumption per head of population, and certainly they need to be brought down. It is not just a Northern Ireland problem but one throughout western Europe.

Mrs D Kelly:

I appreciate that, but would it be useful to have a Programme for Government target that, although recognising that there are no charges, promotes a sustainable use of water to try to bring

about that same modal shift that was talked about earlier when we discussed transport?

Mr Smith:

When I was talking about a longer-term strategic view of how we manage water, a target to bring down consumption per head would be one of the things that we would expect to see in there. The difficulty is in how we go about that, but that is the challenge.

The Chairperson:

Thank you for your presentation, Graham.

I thank everyone for coming along today. The presentations have been very helpful to the Committee. I thank our Committee staff, the Hansard staff and the people who set up and operated the recording equipment. It was an early start, but I think that this Programme for Government seminar has been worthwhile for the Committee. Thank you, one and all.