



Northern Ireland  
Assembly

Committee for Regional Development

# OFFICIAL REPORT (Hansard)

Inquiry into Comprehensive Transport  
Delivery Structures: Transport Salaried  
Staffs' Association Briefing

10 April 2013

# NORTHERN IRELAND ASSEMBLY

## Committee for Regional Development

### Inquiry into Comprehensive Transport Delivery Structures: Transport Salaried Staffs' Association Briefing

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**Members present for all or part of the proceedings:**

Mr Jimmy Spratt (Chairperson)  
Mr John Dallat  
Mrs Dolores Kelly  
Mr Declan McAleer  
Mr Ian McCrea  
Mr David McNarry  
Mr Cathal Ó hOisín

**Witnesses:**

Mr Neil Davies	Transport Salaried Staffs' Association
Mr Gerry Kennedy	Transport Salaried Staffs' Association
Mr Jeremy Saulters	Transport Salaried Staffs' Association
Ms Lorraine Ward	Transport Salaried Staffs' Association

**The Chairperson:** I welcome Lorraine Ward, assistant general secretary of the Transport Salaried Staffs' Association (TSSA); Gerry Kennedy, TSSA executive committee member; and Ray Edwards and Jeremy Saulters, who are TSSA committee members. You have 10 minutes in which to make a presentation, then there will be 10 or 15 minutes of questioning.

**Ms Lorraine Ward (Transport Salaried Staffs' Association):** Thank you. First, I will amend the record by saying that, rather than Ray Edwards, we have with us my colleague Neil Davies, who is the research and policy officer in the TSSA.

**The Chairperson:** OK; Ray Edwards is not here. Instead, it is Neil Davies; and your position is?

**Mr Neil Davies (Transport Salaried Staffs' Association):** Policy adviser in the TSSA.

**Ms Ward:** The TSSA welcomes the opportunity to give oral evidence to the inquiry into comprehensive transport delivery structures following our written submission, which was given to you in January. I am the assistant general secretary of the TSSA in Scotland and Ireland. Neil Davies is our policy officer; Gerry Kennedy is a member of our executive committee; and Jeremy Saulters is a workplace representative in Translink. The TSSA is an independent trade union. We represent 23,000 members who are administrative, managerial, professional, clerical and technical workers in the railway, travel, port, bus and ferry trades. Our members range from highly skilled engineers and senior managers to booking office staff and call centre workers. In Translink, we have approximately 325 members who are employed across a wide range of jobs and undertake various duties.

The TSSA's policy supports a publicly owned and operated transport network that is run in the public interest and not for private profit. An integrated and well-developed public transport system is a vital part of economic strategy and assists in the productivity and competitiveness of both the public and private sectors. That contributes to adding value and job creation. In respect of economic development, it is the most efficient and cost-effective way of linking all centres of economic activity.

I turn to the funding of transport in Northern Ireland. As stated in the TSSA's written submission, Ulsterbus funding is set to be reduced by £17.6 million in the next two years. Metro funding will be reduced by £5.9 million over the same period. Those figures represent declines of 19% and 17% respectively from current revenue levels. The basic problem in Ulsterbus companies is that total revenue is set to decline in real terms. A rise of 2.7% to £96 million over three years will be less than inflation. If the lowest prediction for UK inflation — 3% per annum — is realised, that will represent a real cut in Ulsterbus's revenue of 6.6%. Operating costs are expected to rise by 14.5% and overheads by 11.5%. There is no room for further savings through cost-cutting. The TSSA is of the view that the problem lies on the revenue side. A similar pattern emerges in Citybus/Metro, as per the revenue projections and the operating costs quoted in section 2.3 of our report.

In Northern Ireland Railways, there was no funding shortfall for 2011-12. However, there is a planned funding shortfall for 2012-13 of £1.9 million, which will rise to £2.6 million in 2013-14 and £7.2 million in 2014-15. The main reason for that funding shortfall is the proposed cut in the public service obligation (PSO) from £24.3 million to £20.6 million, which is 15%.

The transport arm of the Department for Regional Development (DRD) currently spends the majority of its budget on roads. Construction and maintenance of roads cannot solve Northern Ireland's transport needs alone; that fact was not lost on the previous DRD Minister or his officials. A shift in budgetary emphasis to public transport is required to deliver sustainable and environmental transport solutions for the Province in the future that will also contribute to economic growth and social inclusion. A properly funded, fully integrated public transport network eases the pressure on our current road network. Simply put, if more people use public transport, there will be fewer cars on the roads; a reduced requirement for new or upgraded roads; reduced pressure on the road maintenance budget; a reduction in our carbon emissions; and less congestion on our roads. All of that put together contributes to a healthier population.

Subsidies made to the public transport network system should be seen as an investment and not purely as a subsidy to the user of public transport, because that investment delivers real benefits to businesses, other road users and the entire community through lower congestion. Making public transport more affordable means an increase in people's disposable income. They will spend that on other goods and services and thereby contribute to increased economic activity, which is especially important at present.

In relation to revenue and service provision, the growing funding problem opening up in all areas could be met by two options: raising passenger fares or cutting back services.

Any significant increase in passenger fares above inflation will lead to a fall-off in demand, lower revenue and worse funding problems. Increasing passenger fares in a recession will be self-defeating. Moreover, it would defeat Translink's public service obligation. Those least able to afford services would cut back the most, leading to a substantial fall in transport use by the less well-off, disabled people, the elderly and children. On grounds of economic efficiency, equity and environmental targets, as well as in accounting terms, increasing fares will not address the problem.

In relation to cutting back on services, the majority of services operated by Translink are not profitable on a purely commercial basis. Services such as town-to-town, rural and school services are strongly cross-subsidised to achieve maximum coverage. Any attempt to separate out those services for commercial purposes would lead to losses for passengers on all services. As those services require the greatest subsidies, cutbacks would only be effective by concentrating largely in those areas. That would be socially unacceptable and economically damaging to large areas of Northern Ireland, especially the loss of bus services, as in most areas there are no rail services that could be used as an alternative.

It is crucial that Translink needs to better engage in protecting and collecting revenue going forward. Currently, revenue protection and collection is under-resourced. Under-resourcing that area results in significant slippage of revenue and potential revenue. It is acknowledged by all that an element of fare evasion exists on the Translink services, and there is a belief by our members that more effective

strategies should be put in place to deal with that specific issue. A much more robust approach to revenue protection needs to be adopted so that staff undertaking those duties are solely engaged in that crucial activity. A revenue protection organisation with a much sharper focus should result in reduced revenue loss, as demonstrated by transport companies elsewhere, the approaches of which should be examined in depth. The TSSA would like an investigation of how much potential revenue is being lost through fare evasion and other reasons for non-payment.

To state the obvious: the more people who use public transport, the more revenue will be raised. Private car use remains predominant. A small percentage shift from car to rail and buses will result in larger percentage increases in the usage of those modes. We believe that the Government should seriously consider committing itself to model-shift linked to realistic targets. The TSSA calls on the Committee to commission an impact analysis on the economic, social and environmental effects that would result if cuts to services were implemented.

Privatisation is, of course, another option, but not one that we support. The TSSA's experience is that that does not work. It is wrong to assume that private sector operators are better than anything deliverable in the public sector. The experience from private sector companies in the rest of the UK and elsewhere is that, once that occurs, private operators are less committed to meeting the social objectives than public service organisations, even when they are subsidised. On the whole, private operators are agnostic about providing services. They do not care where they get the money from, whether it is the fare box, the public purse or anywhere else, as long as it shows up at the bottom of the profit line.

Bus deregulation in the rest of the UK has, on the whole, been disastrous and a complete failure. In Northern Ireland, the public transport provision delivers greater social and economic returns than a fragmented, competitive market would. It has created a highly integrated bus and rail system, with integrated management, procurement, IT, planning and depots. Privatisation would require a significant break-up of that level of integration, creating more interfaces and increasing costs between the various parties working within a more complex structure. It would lead to less efficient services to the public.

I will now outline our view of the future of public transport in Northern Ireland. Translink, as an integrated public service transport provider, will play a vital role in Northern Ireland's future development. It has already played a significant role in opening venues such as the Titanic centre in Belfast to huge numbers of visitors. Northern Ireland's three airports need better linkages to each other and to the wider transport network via public transport. That is documented in the examples that we give in our report in sections 5.1 to 5.5.

In conclusion, quality public transport cannot be done on the cheap. One of our main concerns is that scarce public money is not wasted in any restructuring of public transport in Northern Ireland and that lessons are learned from other various privatisations in the rest of the UK. Naturally, at a time of change, we are concerned that staff and service cuts will be seen as a short-term fix to costs.

In closing, the TSSA would like an investigation of how much potential revenue is being lost through fare evasion and other reasons for non-payment. We call on the Committee to commission an impact analysis on the economic, social and environmental effects that would result if cuts to services were implemented. As part of a process of ensuring good corporate governance, transparency and a better managed transport system, the TSSA asks that the Committee considers our view that the board of the Northern Ireland Transport Holding Company should establish two seats for worker directors elected directly by the staff at Translink. I will pass over to you for questions.

**Mr McNarry:** You call for all public transport — hospitals, education and library boards, etc — to be brought into an "adequately funded public transport sector". You then say:

*"If funding cannot be sourced from elsewhere within the block grant then the DRD must redirect funds from other projects to ensure we have a properly funded public transport system."*

What funds are you talking about being redirected if the money is not there?

**Ms Ward:** We are referring to a shift in the budgetary funds. Already, there have been proposed cuts, which are likely to impact on jobs, etc. We are saying that you have to properly invest in the railway. In order to do that, the Committee needs to consider other budgets that it has. For example, we know

that you put a lot of your investment into road transport. What we were trying to achieve here was to show you examples of moving some of that budget to rail and the benefits that that would bring about.

**Mr McNarry:** You also said that privatisation will not work. Is Translink not a private operator through the Northern Ireland Transport Holding Company?

**Ms Ward:** Translink is a publicly owned company at present, but it has been referenced with regard to the potential for privatisation. We felt the need to come to you today to share with you our experience of privatisation in Great Britain. We can provide evidence of examples to show that that has not worked.

**Mr McNarry:** I can see the purpose of your presentation. I found it interesting, but are you really anxious about job cuts? Where does that anxiety stem from?

**Ms Ward:** That anxiety predominantly stems from the people that you employ who are the members of our union. I will invite my colleagues, who are employees of Translink, who will want to comment specifically to that question.

**Mr Gerry Kennedy (Transport Salaried Staffs' Association):** I am a TSSA executive committee member. Our main worry is the drop in budget for next year through Ulsterbus and Northern Ireland Railways. The short cut in the budget will incur costs in our membership, which will end up as redundancies. Management have not consulted with us yet or talked about this yet, but, as sure as God made little green apples, that is what will happen. It happened last year when the budget was slightly shorter and we lost members. That is our main concern with regard to the lower budget being put.

**Mr McNarry:** Can you estimate how many jobs would be lost as a consequence of what you believe might happen?

**Mr G Kennedy:** At the present time, I cannot answer that. The company has not suggested a business plan going forward or the extent of the damage that a smaller budget would cause.

**The Chairperson:** Cuts are already taking place even before the budget — in rural areas, services are being discontinued.

**Mr G Kennedy:** Individual managers are reducing services in rural areas, but staffing levels are not being reduced. Services are being cut back and those staff are being used for other duties.

**The Chairperson:** Are the public suffering?

**Mr G Kennedy:** The public will suffer from that.

**Mr Ó hOisín:** Thanks for your presentation. I noticed from the paper that we are looking at a year-on-year reduction in total over the past five years of almost 20% between Ulsterbus, Metro and NI Railways. I know from talking to some of your members and, indeed, some of the management staff that they are treading a very thin line in trying to juggle between keeping staff on and keeping stations open, particularly for Ulsterbus and rural services. To date, they have been able to use voluntary redundancy for the most part. When do you see compulsory redundancies kicking in? Gerry, you said that you cannot predict that over the next three years, but you could make a stab at it. That is a major concern among your members and, indeed, the wider public, particularly in rural areas where services are being reduced.

**Mr G Kennedy:** We had 150 voluntary redundancies over the past two years. However, that does not allow for natural wastage whereby people retire or go off on long-term sick and are not replaced. So, the figure throughout the network is actually a lot greater than those 150 voluntary redundancies.

With regards to the future, again, as I say, if I had a crystal ball or if the company discussed this with us, we would know. Unfortunately, however, I cannot give a figure, but I can see it kicking in in another 18 months or sooner.

One of the issues raised in our presentation was revenue protection. It is a vicious circle: if we do not have staff on the ground to protect revenue, which pays for jobs and the public service, we lose it. So, the public are being serviced less because of that. The number of booking offices and services at Northern Ireland Railways stations has now been reduced, so people are able to walk through barriers without buying tickets for the train. Northern Ireland Railways has non-manned halts and only the main stations are served, so you can step off and on to a train anywhere on the network; it is like a sieve.

**Mr Ó hOisín:** We all agree that the uncertainty that exists is damaging staff morale. What has been seen, particularly in rural areas, is profitable routes being creamed off at the expense of other routes, which will not be serviced. As we heard from previous contributors who talked about north and west Belfast, there will be routes that will perhaps never be serviced again.

**Mr G Kennedy:** A reduction in services means that we lose the public. Those people will go back to their cars and never come back. In certain areas, disabled people and the less well-off will suffer because we are not providing a proper public transport service. That is what our appeal is about today.

**Mr Dallat:** From the statistics that you provided, certainly those for rail transport, it seems clear that where there has been investment, there has been a substantial increase in the number of passengers. However, in the conclusion — I wonder whether this view is still current — it is stated that the current proposed funding levels could result in the railway line north of Ballymena and the one north of Whitehead being under threat. Given that there was substantial investment in trains and track, are you saying that, because of the cutbacks, we will make the same mistakes again and run the trains into the ground?

**Ms Ward:** Basically, what we are trying to get across, by and large, is that we recognise that there is a funding crisis in Translink. That is blatantly obvious. We have put the statistics together, and that is contained in the report. There is a threat of reduced Translink services, and we do not see that as representing a good integrated transport system for the benefit of people in the wider community. The reality is that, because of the impact of the voluntary severance scheme on staff employed at Translink over the past couple of years, it seems to us that Translink is now trying to address the funding crisis by looking at reducing services as well as the number of staff. Neither of those will suffice or work. The unions and the TSSA have worked with Translink in the past, but what we will not do is continue to endorse further job cuts or any reduction in the service within a community, which does not address social inclusion.

**Mr Dallat:** If you had a choice, would you support the co-operative model? If you were on the balcony looking down on this, would you support the co-operative concept that has been introduced in Wales and, I think, in Scotland? Would that appeal to your members?

**Ms Ward:** What would appeal to our members is for the railway to stay in public hands. What also appeals to our members is the creation of the worker director seats, so that there can be transparency and our members can have input to wider discussions on the future of Translink and the railway to consider and discuss the problems that we continue to face. What we would welcome is to be a party to those talks, where we can make a valid contribution to the future of Translink.

**Mr Dallat:** You may know that some members of the Committee were in Glasgow recently, where I note that you come from. Are there any lessons to be learned from there or things to be avoided?

**Ms Ward:** If I had more than 10 minutes, I could share many lessons with you.

**The Chairperson:** You certainly do not have more than 10 minutes, let me assure you. *[Laughter.]* You have about two minutes left.

**Ms Ward:** I will not outstay my welcome, but, yes, I could share with you at another time and in a different forum many lessons that could be learned, not just from Scotland but from England and Wales. We are a railway trade union; that is predominantly where we represent our members. We have dealt with pre- and post-privatisation and have had many experiences during that time. Unfortunately, I have no more time to share that with you.

**Mr Dallat:** I want to pay tribute to your members, who have not had it easy over the years. It has been difficult, and I have the utmost admiration for you.

**Ms Ward:** Thank you.

**The Chairperson:** I think that those comments reflect everyone's views on that issue. Thank you very much for your presentation.

**Ms Ward:** Thank you.