Submission by Dublin Port Company on the National Planning Framework

31st March 2017

Foreword

The creation of a framework to guide the planning and development of the country over the years to 2040 is a considerable challenge.

Planning at a national level requires consideration of a wide range of requirements including:

- The provision of housing for a growing population and the associated social infrastructure needed to sustain communities
- The spatial distribution of development across the country
- The provision of basic infrastructure including road, rail, energy, airports and ports
- Protection of the environment
- The need for sustainability

This submission by Dublin Port Company (DPC) to the public consultation on the National Planning Framework (NPF) focuses on issues raised in two areas of the *Issues and Choices* consultation paper:

- Section 6: Equipping Ireland for Future Development - Infrastructure
- Section 7: Enabling the Vision – Implementing the National Planning Framework

The issues identified and the points raised in this submission are discussed by reference to Dublin Port. However, they are intended to be of wider relevance both to the national port industry and also to other infrastructure sectors whose future development faces similar challenges to those faced in Dublin Port.

The conundrum of long-term projections

The NPF poses the challenge of developing the country between now and 2040 to cater for:

- A population increase of about one million (+21%)
- Half a million additional housing units
- A workforce in excess of 2.5 million

As a headline, a growth in the population from 4.7m today to 5.7m in 2040 is striking. However, this rate of growth is no greater than occurred between 1961 (when the population was 2.8m) and 2016 (when it was 4.7m).

In Dublin Port, we are planning, in our Masterplan 2012 to 2040 for an increase in cargo volume from 28.9m gross tonnes in 2010 to 77.2m in 2040 (+161%). This is equivalent to an average annual growth rate of 3.3%. This is not unusually high by historical standards. In the 30 years from 1950 to 1980, the equivalent growth rate was 3.2%. From 1980 to 2010 it was substantially higher at 4.7%.

Consideration of high rates of compounding annual growth can suggest future levels of infrastructure capacity which might today seem implausible. Who in 1950, when Dublin Port's throughput was 2.9m gross tonnes, could have foreseen that it would reach 34.9m gross tonnes in 2016?

Likewise, who in 1961, when the population of the country was 2.8m, would have foreseen it grow to 4.7m today?

Will the future resemble the past?

It is easy to discount future projections by saying that the future will be different from the past, particularly when there has been so much change in recent years.

Looking at the drivers of economic growth in recent decades, there have been large increases in the services sector and also in high value and low volume manufacturing. Intuitively, therefore, the rate of increase in freight volumes should have been lower than the rate of economic growth.

By comparison with the port sector, there has been an evident decoupling between economic growth and increased energy demand in recent years. This has occurred for clear reasons such as higher levels of insulation and increases in energy efficiency (including in lighting and in vehicle engines).

However, there are no equivalent mechanisms by which the volume of freight to be transported can be reduced.

Moreover, we have had large high tech and IT sectors driving economic growth in recent decades and, yet, port volumes have stubbornly increased in tandem with the economy. In the case of Dublin Port, for every 1% increase in GDP, port volumes have increased by 1.4%. In the past four years alone, the volume of goods through Dublin Port has increased by 25%.

In the case of passenger transport, there are the means to limit the growth in car volumes by increasing the capacity of public transport in conjunction, possibly, with economic measures such as road pricing.

When it comes to port-related freight transport, however, there are no similar mechanisms and the figures are daunting. In our Masterplan, we are projecting that the number of unit loads (trailers and containers) moving through Dublin Port will increase from 1.1m in 2010 to 3.2m in 2040. In 2016, they had already reached 1.4m units.

We believe it essential to plan for the high level of growth in port volumes which we are projecting. A corollary of this is that increased road capacity must be planned to meet the concomitant increase in road freight volumes.

Long-lead times

Building large infrastructure to cater for such growth takes time and, where we do not already have sufficient capacity for growth in demand in decades ahead, we must begin today to plan and prepare to deliver the infrastructure needed in future years.

Over the period of the NPF, we should strive to have coherent infrastructure delivery programmes in place to meet projected requirements. We should also have more projects consented and ready to commence construction than we might think today will be required or that we think today we will be able to afford in the future.

If our future projections of what is required turn out to be over-estimates, it is far easier to defer a project than it would be to play catch-up if we under-plan for future requirements. We should not be afraid to plan large projects and large programmes to cater for projections that may today look implausibly high.

Likewise, if we do not have the capital available to build the projects needed at the time we think they will be needed, we will at least have the basic tasks completed that will allow projects to commence without delay when the necessary capital becomes available. We should not be afraid of the possibility of planning permissions and other consents lapsing. They can always be renewed.

Joined up thinking

The implications of future growth in port volumes go beyond the challenge we face to provide port capacity (such as quay walls and adjoining land areas for the transit storage of cargo). The far greater challenge is how capacity will be provided on the national road network. (Whatever potential there exists to increase the transport of cargo by rail, it is not conceivable that rail could continually provide sufficient additional capacity to cater for the levels of growth we are projecting).

This is such a daunting challenge that it is tempting to ignore it.

An enormous increase in Dublin Port's volumes will inevitably create a demand on the national road network, particularly on the Dublin Port Tunnel, the M50 and the radial motorways extending from the M50 across the country.

To cater for this additional demand, there are two possible solutions:

- Firstly, build more road capacity
- Secondly, manage demand on the road capacity that exists

Both of these are challenging.

In the past, it has been suggested port-related traffic could be mitigated by moving Dublin Port to another location or by limiting its capacity in favour of developing additional capacity in other ports.

However, wherever the freight required to service the natural hinterland of Dublin Port is handled, it will still have to be accommodated on largely the same national road network that we have today and the same challenge to provide road capacity for essential freight traffic will have to be faced.

The challenge faced by the NPF in this instance is to ensure that plans, programmes and policies which are subsidiary to the NPF confront such realities in a co-ordinated way to ensure that projects can be objectively assessed at the planning stage.

It is equally important that these plans, programmes and policies do not leave space for unviable project suggestions to grow which can gain an unwarranted level of credibility as an alternative to legitimate projects. Over the past 12 years Dublin Port has been the subject of entirely unfeasible suggestions to move the entire port operation to a distant greenfield location[1].

[1] In 2006, the PDs, then a party in government, published proposals (*A New Heart for Dublin*) to move Dublin Port to a new location and to sell the lands of Dublin Port at a price of up to €50m per acre: https://irishelectionliterature.com/2011/11/29/from-2006-a-new-heart-for-dublin-progressive-democrat-proposals-for-a-new-high-rise-quarter-where-dublin-port-was-with-great-pics/

In 2007, Dublin City Council published *Dublin Bay - An Integrated Economic, Cultural and Social Vision for Sustainable Development*. This report concluded that: *Using the current assumptions, there is evidence to suggest that the **full relocation** of the port and development of the vacated site for a mixed use of residential, public and employment space offers the best long-term impact for Dublin*.

Large infrastructure projects will transcend the time horizon of the NPF

Once built, large infrastructure has a lifetime of centuries and the decisions we take today will shape the built environment and will impact on the natural environment.

The Great South Wall in Dublin Port was built in the 18th century and was responsible for the formation of Bull Island. Likewise the railroad from Westland Row to Dun Laoghaire, built in the early 19th century, shaped the southern shoreline of Dublin Bay.

During the period of the NPF, DPC will have to build new and additional port infrastructure to cater for foreseeable growth post 2040. Wherever this infrastructure is located (whether in Dublin Bay or elsewhere on the East Coast) it will be a major undertaking and will need to be developed in conjunction with other infrastructure (primarily road and rail) and subject to detailed consideration of environmental impacts (including mitigation and possibly compensation measures).

The timescale to develop new and additional port infrastructure needs to be realistic by comparison with other large infrastructure projects built in recent times. For example:

- The waste-to-energy plant on the Poolbeg Peninsula has taken 20 years from concept to completion
- The completion of the landside infrastructure to bring gas ashore from the Corrib gas field was 19 years after the gas find was confirmed
- The Dublin Port Tunnel opened in 2006 having first been recommended 13 years earlier in the *Dublin Transport Initiative* report of 1993.

Against this background, new and additional port facilities to provide the capacity needed after 2040 will need to be built during the period of the NPF. DPC is planning to do the initial investigations for such facilities between now and 2020 in order to leave 20 years to:

- Apply for and secure the necessary consents
- Allow landside access infrastructure to be developed (road and rail)
- Build major marine structures to form the new port facilities

Given the natural disinclination to plan for the very long-term (where the challenge of understanding and quantifying what will be needed can be daunting), it is important that the NPF does just this and encourages answers to questions such as:

- Where will we build the port facilities that will be needed from 2040?
- Will this development be on brownfield sites (including at existing ports) or at greenfield locations?
- When should it be built?
- How will it be financed?
- What supporting infrastructure will be needed to support this new port capacity?
- How will it be provided?

The challenges faced in this area by the NPF are mirrored in the plans to develop the EU's TEN-T network. We believe that there is great merit in explicitly linking challenges in the NPF to over-arching EU objectives and plans which transcend Ireland's requirements.

Cost Benefit Analysis and Environmental Impact Assessment

For the NPF to meet its objectives, the implementation of policies, the preparation of infrastructure investment programmes and the delivery of major projects are key.

In the specific case of Dublin Port, we face a number of challenges if we are to provide the port capacity required over the period of the NPF:

1. We need to maximise the use of our existing brownfield lands in Dublin Port. This will require complementary delivery by TII of the Southern Port Access Route (SPAR) as envisaged in NTA's Transport Strategy for the Greater Dublin Area, 2016 to 2035.
2. We will need to develop new additional facilities at a greenfield location to meet demand post 2040. This will almost inevitably require us to provide compensatory habitats as required under Article 6(4) of the Habitats Directive[2].
3. The delivery of the SPAR to facilitate the development of brownfield port lands on the Poolbeg Peninsula and the making of the IROPI[3] case to allow us to develop new port facilities (notwithstanding unavoidable negative impacts on Natura sites) will each require a strong economic rationale.

In the specific case of Dublin Port, and more widely in the development of other basic infrastructure, we will need the capacity and capability for IROPI cases to be evaluated and for compensatory habitats to be adjudicated upon in order to allow projects to proceed. There have been very few, if any, IROPI cases in Ireland to date and it is essential for the implementation of the NPF that such projects can be dealt with in the Irish planning / regulatory system in the years ahead.

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[2] Article 6(4) of the Habitats Directive states:

If, in spite of a negative assessment of the implications for the site and in the absence of alternative solutions, a plan or project must nevertheless be carried out for imperative reasons of overriding public interest, including those of a social or economic nature, the Member State shall take all compensatory measures necessary to ensure that the overall coherence of Natura 2000 is protected. It shall inform the Commission of the compensatory measures adopted.

Where the site concerned hosts a priority natural habitat type and/or a priority species, the only considerations which may be raised are those relating to human health or public safety, to beneficial consequences of primary importance for the environment or, further to an opinion from the Commission, to other imperative reasons of overriding public interest [IROPI].

[3] The UK's Department for Environment Food & Rural Affairs has an excellent guidance note which includes specific case studies of port developments: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69622/pb13840-habitats-iropi-guide-20121211.pdf

Likewise, given the importance of cost benefit analysis (whether for general planning applications, for IROPI case making or for project prioritisation and capital rationing purposes), the NPF would benefit from highlighting the need for policies, programmes and projects to be supported by detailed CBA studies.

Spatial Planning for demand led infrastructure

Some infrastructure (such as road or rail) can influence the spatial distribution of future development.

Other categories of infrastructure (including ports and airports) are demand led. Ports are a particularly extreme example of this:

- The demand of port infrastructure is a derived demand from the demand for shipping services
- The demand for shipping services is, in turn, a derived demand
- Ports service their natural hinterlands within the constraints of their key characteristics (depth of water and connectivity to road and rail networks)

Where passenger markets can be created by increasing supply (as is the case with airlines and the cruise tourism sector), the provision of port infrastructure in locations where there is no demand can result in wasted investment[4].

The NPF needs to be careful to ensure that infrastructure (such as port capacity) is planned for in the correct locations.

Subject to the success the NPF might have in encouraging a more widespread distribution of population across the country, this could include the provision of additional port capacity at other existing ports.

For example, if the NPF results in relatively more development along the Cork-Limerick-Galway axis than on the east coast, ports such as Cork and Waterford would likely see a growth in demand.

The table below shows the distances from the four Tier 1 and Tier 2 ports which handle unitised cargo loads to the cities of Limerick and Galway respectively. These distances suggest an important future role for the ports of Cork and Waterford to meet demand outside of Dublin Port's natural hinterland.

[4] A European Court of Auditors Study from 2016 (*Maritime transport in the EU: in troubled waters – much ineffective and unsustainable investment*) documents salutary examples of this in a number of EU countries: http://www.eca.europa.eu/Lists/ECADocuments/SR16_23/SR_MARITIME_EN.pdf

	# unit loads 2015	% of unit loads 2015	Limerick	Galway
Dublin Port	1,329,152	83.4%	212 km	219 km
Cork	117,562	7.4%	120 km	216 km
Belview (Waterford)	19,344	1.2%	133 km	234 km
Rosslare Harbour	127,941	8.0%	198 km	292 km
Totals	**1,593,999**	**100.0%**		

The central point here is that the NPF should identify that some basic infrastructure is, by its nature, demand led while other basic infrastructure can promote regional development which might beneficially alter spatial distribution. Port infrastructure is definitively in the former category.

Moreover, the optimum location for port infrastructure is determined by largely immutable factors such as location (in relation to the hinterland to be served) and the available depth of water. The potential to develop port capacity where it is needed and where it is possible to provide it needs to be protected. The NPF should highlight this point. The current example of the promoters of the Dublin Bay Studios project targeting port lands on the Poolbeg Peninsula for their proposed development exemplifies this issue.

Summary

Dublin Port Company welcomes the creation of the National Planning Framework at the summit of the hierarchy of plans, policies and programmes which will guide the development of the country to 2040 and beyond.

We have summarised below our views on six issues relating to the topics discussed in Section 6 (infrastructure) and Section 7 (implementation) of the *Issues and Choices* paper of February 2017:

1. Planning long-term infrastructure requires long-term projections which inherently have large margins for error. Long-terms projections may identify the possible need for what, today, seem implausibly large and unfeasibly expensive infrastructure projects. We should not plan for the future limited by today's requirements or constrained by what we think we might be able to afford in the future. The NPF should be ambitious and should encourage the development of infrastructure programmes and projects based on long-term projections regardless of how daunting they might appear. It should also encourage and mandate that large infrastructure programmes and projects be brought to the point where they are ready for implementation at relatively short notice subject only to the availability of the financial resources needed to deliver them.
2. The successful implementation of the NPF will require the complementary development of different types of mutually dependent infrastructure (such as roads and ports) and also the implementation of measures which can prioritise the use of infrastructure for certain purposes (e.g. the combination of public transport and road pricing to maximise the capacity of the national road network available for freight transport). The NPF should encourage non-infrastructure measures and policies which can facilitate higher utilisation of existing infrastructure to meet projected future growth.
3. Although the timescale of the NPF to 2040 appears long, within the 23 years between now and then projects will have to be designed, consented and constructed to provide the capacity required post 2040. Large infrastructure projects can take 20 years to deliver and some will need to be completed before 2040. The vision of the NPF must, therefore, look beyond 2040 in some cases.
4. Successful implementation of the NPF will require detailed cost benefit analysis of major infrastructure projects and programmes particularly to facilitate the co-ordinated delivery of different mutually dependent projects and also to facilitate the optimum allocation of scarce capital resources.
5. There will be an increasing number of infrastructure projects which will negatively impact on Natura sites and it is important that the planning and regulatory system has the capacity to process IROPI projects as provided for in Article 6(4) of the Habitats Directive.
6. The NPF should identify that there are two different categories of basic infrastructure. On the one hand, there is basic infrastructure which can promote regional development and which can beneficially impact spatial distribution. On the other hand, there is infrastructure whose location is demand-led. Ports are in the latter category and the locations where capacity can be provided to meet long-term future requirements must be protected from alternative development.