

Pre-Budget Submission 2017

To Government

From

***The Coach Tourism & Transport Council of
Ireland***

August 2016

Introduction

The Coach Tourism & Transport Council (CTTC) make this submission to Government in advance of October's budget. The CTTC is the representative organisation for Ireland's coach touring companies and the private coach and bus operators. All of our members are family-owned companies with a combined fleet of over 1,050 coaches, and we employ over 2,180 people directly.

The CTTC acts as a conduit between the sector and the decision makers that will affect it. The organization represents members regularly under issues of concern such as transport legislation, public transport, school transport and the coach tourism sector. The Private Coach Industry is one of the few industries to sustain employment and support business in rural Ireland that otherwise have limited employment opportunities. It is estimated that the sector will generate in the region of €450 million to the economy this year. Action needs to be taken now to ensure the industry remains competitive post-Brexit and to facilitate growth.

In order to protect and further develop this important sector of our economy the CTTC proposes the following measures for inclusion in Budget 2017:-

1. The CTTC calls on Government to recognise the reality of the serious decline in coach values and the age profile of the fleet.

CTTC recommends an introduction of a special capital allowance of 50% of the cost of new and second hand vehicles up to two years old for fiscal years 2017 and 2018 in order to stimulate re-fleeting by coach providers and ensure quality standards.

2. To ensure compliance with ongoing legislation, RSA inspection and improve Health and Safety and quality standards.

CTTC recommend that the Government allows construction and improvement costs of garage facilities to be fully written off in the year of occurrence. This initiative will stimulate the highest standard of vehicle maintenance throughout the industry and create regional employment in the building and repair sectors.

3. At present social welfare claimants are assessed on the days per week they work.

The CTTC recommends social welfare claimants be assessed on the actual hours they work rather than the days per week that they work. The measure would benefit operators hiring staff for just a few hours per day (e.g. school runs) without the need for the employee to lose all of their state benefits. This will also bring more people into the tax net as employers would be paying PRSI on these employees.

4. Road toll costs are a significant expense to the industry.

CTTC recommends to assist traffic flows and avoid traffic congestion on arterial routes, CTTC also recommends that commercial passenger operators be able to avail of free or reduced tolls.

5. At present there appears to be no coherent approach or rationale to the provision of disability accessible vehicles by non-state funded operators. It is our view that the issue of vehicle accessibility cannot be looked at in isolation from the provision of appropriate environmental infrastructure to facilitate access to the vehicle itself. To achieve a fully integrated public transport system all bus operators should have access to publicly funded transport infrastructure e.g. bus stations, railway stations etc.

The CTTC recommends the introduction of grant aid to improve accessibility, fast track vehicle refits, purchase accessible vehicles and grant access to all transport operators to publically funded transport infrastructure.

6. There is a requirement for investment to maintain standards and provide more environmentally friendly vehicles.

To stimulate the above, CTTC recommends a Carbon Tax Rebate on all forms of public transport.

7. The Passenger Transport Industry is constantly challenged by substantial operating costs e.g. the cost of diesel is 5.5% higher in Ireland than the European average.

CTTC recommend that there should be no increase in excise duty on fuel in order to maintain the recent growth in the Industry.

8. Coach Tourism is a very substantial source of revenue to the Irish exchequer with revenue contributing in excess of €400 million to the Irish economy and supporting sustainable employment in rural areas, however the industry faces significant barriers to continued growth particularly in respect of the age profile of drivers and the excessive costs of licence qualification in the region of €2,500.

CTTC recommends that Tax relief is given to employers in the industry to facilitate driver training. CTTC also recommends that driver training programmes be established to encourage new entrants into the industry.

9. Present inequalities in the Irish Tax system place coach tourism operators in the Republic of Ireland at a major competitive disadvantage to their counterparts in Northern Ireland. Those operators have the benefit of a zero VAT rate, which enables them to reclaim all of their inputs including the VAT on fuel. This has resulted in an increasing number of coaches from Northern Ireland being used in tourism in the Republic as they have a lower cost base, resulting in a loss of tax revenue to the state.

CTTC recommends that operators in southern Ireland should have zero VAT rate or an equivalent arrangement to allow them compete on an equal footing with their northern counterparts.

10. There has been a significant increase in Insurance Costs in the sector.

CTTC recommends that a review of the current Insurance Industry and the manner in which claims are assessed be fast tracked as a matter of urgency.

Conclusion

Private operators contribute significantly in the provision of high quality transport services to their customers without any state subvention. It is the view of the CTTC that the measures highlighted above would enhance the requirement for a strong private transport sector. Ensuring that the state achieves the goal of an effective, efficient transport system that is value for money and reduces the current level of state subsidisation which is no longer sustainable in the current economic climate.