

***Submission on Carbon Tax and
Diesel Rebate Scheme***

From

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

May 2019

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 private coach and bus operators. All our members are family-owned companies with a combined fleet of over 1,500 coaches, employing over 3,000 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.

Background

The Coach and Bus sector currently contributes in excess of €500 million in revenue to the national economy through the provision of Coach Tourism, Cruise Business, Scheduled Services, Private Hire, Conferencing and Event transportation. In addition, the private sector is the mainstay in the delivery of the school transport system, which transports in excess of 110,000 students in each school calendar year.

While CTTC commends the stated goals of Government Policy aimed at meeting EU Targets and reducing our Carbon Footprint, we feel that without active and constructive engagement with key stakeholder providers, uninformed taxation and subsequent legislation will have irreversible negative consequences for the sustainability, competitiveness and future growth of the coach and bus sector.

There is a willingness from coach operators to shoulder their responsibilities and make their activities as efficient and environmentally friendly as economically viable. At present, there are simply no suitable alternatives to diesel vehicles currently available in the market.

As part of its commitment to the environment, the industry has invested substantially in upgrading the overall fleet through the purchase of Euro 6 Vehicles. Euro 6 engines are currently the most cost effective carbon and energy efficient engines available for use in the sector and a Euro 6 coach has very similar emissions to that of a Euro 6 car and has the capacity for at least 10 times as many people.

It is CTTC's contention that any provisions which would substantially increase diesel costs through the introduction of a carbon tax and / or increase the price of diesel, would significantly impair sustainability and growth in the sector.

Recommendations

In order to protect and further this important sector of our economy and, at the same time, support and encourage Government's policy in relation to climate change, CTTC recommend the following measures:-

1. As diesel remains the only viable alternative and to assist operators with ever increasing diesel prices which are a substantive cost to the industry.

CTTC recommends a complete overhaul of the Diesel Rebate Scheme to a reduction in the current floor level from €1 to €0.85c and an increase in the maximum rebate of 7.5% to 15%.

2. The stated objective of Government Policy is to introduce a Carbon Tax and the possible equation of the price of diesel with the price of petrol.

CTTC recommends that any additional cost incurred to the industry should be rebated via the Diesel Rebate Scheme or a separate rebate of the additional amount attributed to the increase through carbon taxation.

3. It is stated Government Policy to reduce CO2 Carbon Emissions.

CTTC recommends the introduction of capital grants or taxation incentives to update the current fleet and make it more environmentally friendly through the purchase of Euro 6 vehicles.