



DEVELOPING RURAL TOURISM

**A CTTC Submission to the Oireachtas Joint
Committee on Tourism, Transport, Culture,
Arts, Sport and Media**



OCTOBER 2022

Introduction

The CTTC is Ireland's largest representative body for the private coach and bus sector. Our members are the leading providers of scheduled services, school transport and coach tourism. Collectively, across our service offering, CTTC members are responsible for transporting more than seventy million passengers each year, to include two million coach tourists. The passengers comprise both domestic and international tourists, cruise passengers, Conference attendees, and others. The coach tourism sector alone contributes in excess of €600 million to the Irish economy on an annual basis.

Rural tourism

The CTTC is pleased to be given the opportunity to make a submission to the Committee and its Members, on the topic of developing rural tourism, and notes the following proposals:

Restoring consumer confidence to domestic groups, post Covid-19

- As a result of the Covid-19 pandemic and associated public health restrictions, consumer confidence in group transport and tours has been damaged.
- In May 2020, Fáilte Ireland data showed 59% of surveyed consumers in Ireland were either 'nervous' or 'very nervous' about taking a bus tour.
- While overall sentiment has undoubtedly improved since the survey was undertaken, CTTC members who operate coach tours, consistently report that consumer confidence has yet to fully return to pre-pandemic levels.
- A dedicated campaign – to promote group transport and tours to domestic passengers should be implemented, with a focus on local and regional outreach.
- Similar campaigns – such as the Transport for Ireland 'around the city, around the clock' campaign have proved successful.
- Domestic tourists make up approximately 436,000 of the two million coach tour passengers transported by operators each year.
- These passengers generally have a preference to visit known amenities in Ireland, the vast majority of which are based in rural areas, outside of Dublin. This makes action a necessity.
- Domestic coach tourists, a core segment of the overall tourism market in Ireland, and hence, need to be assured of the safety of group travel - both now and in the future.

International marketing investment in coach tourism

Regional and rural destinations prove attractive for coach tour passengers, yet more must be done to incentivise international visitors, by marketing Ireland abroad.

The CTTC welcomed the €15 million allocated to tourism marketing in Budget 2023, in addition to the €15 million marked for Fáilte Ireland initiatives.

We believe however, that specific funding should be granted to marketing Ireland abroad as a coach tour destination, targeted towards our main markets.

Our main markets at present are the countries of Central Europe and the United States.

This funding should be ringfenced for coach tourism specifically; and allocated according to the distribution of coach tourists by market.

- According to our most recent survey, 58% of coach tourists come from North America, while 18% come from Mainland Europe and 7% from Britain.



Servicing and parking on coach tour routes

There is a need for greater engagement with Local Authorities, on the distinction between the requirements of touring coaches and scheduled bus services.

These requirements include the provision for coach tour parking – this must be a consideration in the process of Local Authority planning; particularly for drop-offs and collections, at both Dublin and regional airports.

Where possible, provisions should also be made to ensure that every service station on major regional and arterial routes have full servicing facilities. The lack of public toilet facilities in many urban and rural areas is having a negative impact on customer experience.

An appropriate example is France where most service areas are equipped with adequate refuelling facilities.

TAKE-AWAY

Incentivising coach tourists to visit Ireland and its regions, requires operators to provide a best-in-class service, and adequate and proper facilities are a core part of this.

A cruise tourism policy for Ireland

The cruise tourism segment of the tourism market contributes €50 million annually to Irish tourism and there are ample destinations across Ireland with potential to attract high spending visitors to their areas. Cruise ship expenditure not only contributes to the immediate port area but also to the hinterland economies of the ports - many of which are rural areas.

Continued growth in the area has led operators to invest in capacity expansion and to continually seek new destinations and excursions to satisfy guest's experiences. International cruise vessels have visited the island of Ireland since the late 1960s, initially arriving at Dublin and Cork. The attractiveness of the island of Ireland as a cruise destination grew to include other Irish ports such as Waterford, Galway, Belfast and Derry in recent years.

Dublin hosted 150 cruise ships in 2018 and more than 160 ships in 2019. However, from the beginning of 2021 that number has been reduced by more than half - to just 80. This decision has had a negative impact on Dublin economically but also has brought with it reputational damage to the capital, thereby undermining the city as a top European destination, and Ireland as a welcoming country for tourists from around the world.

TAKE-AWAY

The government, in partnership with all tourism stakeholders must develop a strategy to maximise the tourist potential for cruise tourism in Ireland and in particular in Dublin.



Ensuring equitable access to infrastructure for all operators

Approximately **two million coach tourists** visit Ireland on an annual basis, both domestic and international.

Owing to the variety of coach tour products, and the volume of coach tourists, it is likely that passengers will have a range of accessibility requirements.

In the case of older passengers who may have mobility difficulties, it is imperative that accessible infrastructure is provided.

Vehicle accessibility is an issue which cannot be examined in isolation – it must be reviewed in the context of the provision of appropriate infrastructure which facilitates access to the vehicle itself.

The Department of Transport has issued guidance on accessible transport which notes that passengers with mobility difficulties may be prevented from purchasing a travel ticket in cases whereby infrastructure is insufficient and thus poses a safety risk.

TAKE-AWAY

Ensuring that all coach tour providers can fully avail of accessible public transport infrastructure – such as bus bays, stations and bus stops – will incentivise tourists of all abilities, while making use of existing infrastructure.

Zero VAT rate – Northern Ireland

At present, coach tour providers in Northern Ireland benefit from a zero percent VAT rate, which enables operators to reclaim all of their inputs, including but not limited to: the leasing of vehicles, purchase of parts, fuel, phone bills and electricity.

Coach tour operators in the Republic of Ireland are unable to claim back VAT on their inputs.

As early as 2012, Fáilte Ireland cited this issue as a “pressure point” between coach tour operators in Northern Ireland and Republic of Ireland.

This disparity of treatment has led to increasing number of coaches from Northern Ireland being used for the provision of coach tours in the Republic, as they have a lower cost base.

As a result, the Irish Exchequer is experiencing a potentially significant loss of tax revenue – funds which could reasonably be invested in marketing rural tourism, diversifying Ireland’s tourism product or enhancing regional transport infrastructure.

Coach tour operators should have a zero VAT rate or equivalent to ensure parity of treatment pertaining to taxation, across the island of Ireland.

TAKE-WAY

The CTTC acknowledges that Ireland must comply with the EU VAT Directive; but we note the potential for negotiation on this issue.



Contact the CTTC

The CTTC is here to support our members and the industry.
Please do not hesitate to get in contact with us if you feel we can support you further.



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