



Opening Address to the Oireachtas Joint Committee on Transport and Communications

Wednesday 19th October 2022

By Mr. David Conway, CTTC Executive Council

On behalf of the members of the CTTC, I would like to thank the Chair, Deputy O'Donnell and the Committee for inviting us to present here today and for providing us with an opportunity to discuss the very serious issues affecting commercial bus operators in Ireland today.

By way of introduction, my name is David Conway, and I am member of the Executive Council of the CTTC and Regional Manager of Citylink. I am joined here today by my CTTC Executive Council colleague Brendan Crowley of Wexford Bus and Brian Lynch of Suirway in Co. Waterford.

About the CTTC

The Coach Tourism and Transport Council of Ireland is the country's largest representative body for commercial bus operators. We are a pro-active organisation focused on delivering the most efficient, sustainable transport connectivity in Ireland.

As a sector, we support more than 11,000 jobs across every constituency and region in Ireland, and our activities have sustained businesses that would otherwise have very limited employment opportunities. Yet in the face of rising costs owing to inflation, severe driver

shortages and persistent issues with licensing and the recruitment of new, younger drivers, our sector is facing a number of unprecedented challenges. Key to rectifying these issues, we believe, is meaningful engagement between all transport stakeholders, and so we are grateful to the Committee and its Members for the invitation to appear before you this morning.

Rising operational and fuel costs

Since March of this year – when inflation began to steadily rise, before peaking at 9.1% in July - many transport providers have recorded increases in the cost of fuel, repairs, parts and general maintenance works. An internal industry survey carried out earlier in the year, found that nearly two-thirds of commercial bus operators had reported increases in fuel costs of more than 50% over the last number of months. Fuel is a mission-critical expense for the industry; and one for which we cannot seek a reduction in cost without direct intervention or the influence of external market factors. This is particularly pertinent in the case of school transport where service provision must remain consistent, even in the face of volatile and unpredictable fuel costs.

Of course, inflationary pressures have not been reserved only for fuel – and many CTTC members are paying higher insurance premiums, while encountering rising costs for vehicle parts, and paying increased interest on vehicle loans. While no sector is immune to these challenges, the provision of transport is a low-margin activity at the best of times, and so increased operational and fuel costs have been uniquely challenging.

Equally, we do wish to acknowledge Government's decision to extend the existing excise reductions on petrol and diesel until the end of February in Budget 2023, and to allocate crucial funding to strategic public transport projects. It is vital however, that should fuel prices remain at their current levels, or increase even further owing to inflation, that consideration be given to the need to include fuel variation clauses in all State contracts. This is an issue for which our members have strongly advocated for, and which we are keen to discuss further with Committee Members.

Licensing

The current process for the issuing of licenses to operate routes is best described as arduous, owing to the considerable length of time between the initial application being submitted and the eventual granting of the license by the NTA. This is a long drawn-out process that is sometimes initiated at short notice to meet evolving consumer demand. It requires approval to firstly be sought to use bus stops along a route - which may cover a number of local authority areas, meaning that approval must be sought from each. This creates a lot of additional administrative work for commercial bus operators who are applying to service these routes. It is with regret that this current situation fails to adequately serve the needs of the public. By comparison, the same process in the UK is significantly less cumbersome and leads to enhanced service provision as and when required – and often within a very short time frame.

It is now the case that when minor adjustments are required to be made to cater for changing customer demand or to ensure efficient delivery of service, resulting administrative delays in the implementation of such improvements act as an impediment to the modal shift away from private cars. It is our understanding that the NTA has communicated that all services licensed by them, must be fully operational by 7th November or risk being cancelled. This requires commercial bus operators to begin the application process again. We firmly believe that this existing process must be urgently reviewed, and unnecessary, burdensome bureaucracy be removed.

Driver shortages

There has been much discussion of the 'War for Talent' in recent times. An ongoing skills shortage combined with competition from other transport providers, such as the logistics industry, has resulted in a crisis in recruitment and retention of drivers – and particularly younger drivers. At present, commercial bus operators aim to employ only fully-qualified drivers who meet the highest possible standards of competency and who have obtained their

full Public Service Vehicle driving license. The industry does however, face considerable barriers to continued growth and sustained service provision – in respect of the older age profile of our drivers, but owing more to the excessive costs of license qualification which is now in the region of €2,500. We believe that this excessive financial burden is regrettably acting as a deterrent to those seeking employment within the commercial bus sector.

CTTC members are determined to safeguard continuity of service in the years ahead, while emphasising the need to ensure that all drivers strictly abide by the training requirements that are expected of them. In this context, we are keen to work with transport stakeholders to explore the feasibility of introducing an innovative driver training programme – one where new recruits could receive fully funded driver training in exchange for completing a set number of years' service with a commercial bus company. We believe this would allow young drivers to acquire a PSV license, while learning from experienced colleagues, and without incurring the significant financial cost normally associated with obtaining a license.

The aforementioned crisis in driver recruitment poses a threat to the viability of some services, and this we are keen to mitigate. Earlier in 2022, and despite the easing of Covid-19 public health restrictions and the resumption of international travel, a number of our members were still faced with the prospect of reducing their services, owing to a lack of available drivers. As a sector which facilitates more than 75 million passenger journeys on an annual basis – boosting regional economies and providing school transport to students across every constituency in the country – this is a situation which must be addressed as a priority.

As an accompaniment to the measure outlined above, the CTTC believes that simplifying and streamlining the process for issuing work permits for non-EU drivers could open a pathway to employment for those who hold equivalent Category D licenses – which pertain to HGV and bus and coach drivers. While there was considerable support for Government's decision to allow those holding a Ukrainian driving license to exchange this for an Irish correspondent earlier this year, this was only the case for Category B license holders – which covers passenger cars only.

We believe that the deployment of additional staff to the relevant divisions, and the opening of a specific pathway for non-EU drivers who hold equivalent Category D licenses, could prove

a useful tool in easing the issue of driver shortages, while providing valuable employment opportunities for those who live, and are seeking to work in Ireland.

Given the strategic service our members provide, we feel it is imperative that there is a loosening of the applicable rules on eligibility, in order to plug the acute skills need that exists in our sector, so that we can continue, with confidence, to ensure essential connectivity to passengers throughout the country.

Sustainability

Before we conclude our submission today, I just want to stress that as an industry, we are committed to adopting sustainable practices, and CTTC members possess some of the most environmentally compatible fleets available on the market today. We remain determined to build on this progress, and feel that now is the opportune time for the Government to begin working in meaningful collaboration with the private bus and coach sector, to ensure that the target of 50% carbon emissions reductions in transport by 2030 is achieved.

The reality is, commuters will flock to public transport if they feel that the passenger experience surpasses that of using a private vehicle. Fair fares act as a huge incentive in this regard. However, by introducing 'Park and Ride' facilities, enhancing our network of Quality Bus Corridors and improving the overall efficiency of existing vehicles will help to lessen average journey times and ease traffic pressures - while significantly reducing carbon output. A single coach has the potential to take 40 cars off the road - and even a 10% reduction in peak period car usage will cut urban CO2 emissions by 14,500 tonnes per annum.

As a country, we should be deploying every available incentive and strategy, to encourage a modal shift away from private vehicles, towards public transport. The CTTC and our members are determined to play our part in ensuring we have an efficient, fit-for-purpose and affordable public transport system for future generations. As such we can be relied on as trusted advisors where we can bring consumer behaviour trends, insights and advice to resolve the biggest challenges confronting the sector.

Conclusion

In summary; though our sector faces a number of profound challenges, our utmost priority is to continue working in meaningful collaboration with all facets of the transport sector, to work towards our collective ambition of a reliable, sustainable, well-serviced national transport network. On behalf of the CTTC, allow me to thank the Committee once again, for the invitation to speak to you today, and we would be happy to hear any observations or take any questions that you may have. Thank you.
