

Public Transport Association demands higher incomes

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In 2004, Malta's Public Transport Association (PTA) has been demanding higher subsidies from the government in order to make up for the increased expenses of its members that own and operate bus routes. Its demands are viewed as unreasonable by the government, and PTA started limited industrial action during August.

In Malta, there are currently 508 licensed buses. All 430 owners are members of the Public Transport Association (PTA (<http://www.atp.com.mt/>)) which is registered as an employers' association and is mainly concerned with the scheduling of its members' work. There are 91 scheduled routes covering Malta and, according to PTA, only 35 of these are viable. The profitable routes have to make up for the non-profitable ones. Public transport in Malta is among the cheapest in Europe. Unlike other service providers, bus owners cannot increase bus fares without the approval of the cabinet. Successive governments have managed to keep passenger fares low by giving bus owners subsidies, grants and exemptions from duties.

PTA signs agreements with the government on behalf of its members. These agreements are retroactive and the most recent was signed in 1998 (covering three years - 1996, 1997, and 1998). The agreement stipulates that the bus owners must be assured of a minimum revenue that is fixed by these agreements.

Negotiations for a new agreement have been going on between the PTA and Malta Transport Authority (Awtorita Dwar it-Trasport, ADT (<http://www.maltatransport.com/en>)) since late 2003. The discussions focus on a radical overhaul of the public transport system. While ADT is asking for the introduction of new routes and their improvement, the PTA wants an increase in the minimum income of its members. At the beginning of 2004, a package negotiated between the PTA and ADT was referred to the cabinet for approval. However it was rejected as the cabinet did not agree with the stipulated terms and conditions.

Accusing the government of dragging its feet, the PTA resorted to industrial action in an attempt to force the government to accede to its request. In July, it ordered bus owners to stop working at 20.00 on weekdays. On 3 August 2004, PTA stated that it would resort to further industrial action if no agreement were reached by the end of the month. The bus drivers are concerned that their expenses have gone up considerably in the past years. The price of diesel rose up by 33% between 1999 and 2002 and continued rising between 2003 and 2004.

In 1998, the government had agreed to guarantee bus owners a yearly income of MTL 10,200 per bus. This covered the driver's remuneration, fuel costs, maintenance and insurance. This agreement stated that the government would pay any difference between the actual annual income and the guaranteed amount. PTA is asking for this figure to be increased to MTL 15,141 per bus, a rise of MTL 4,941. In recent years, the government's subsidy, which at first amounted approximately to MTL 500,000 has spiralled to about MTL 1.5 million. This can be attributed to a continuous decrease in bus use. The number of passengers, currently about 29 million a year, does not sustain the existing number of buses on the road.

In line with government's general policy guidelines, ADT has stated that subsidies for 2004 will be based on cost of living and fuel increases. The government would have to increase the already unsustainable subsidy to MTL 2.7 million if it accepted PTA's claims. The press has reported that, according to unofficial government sources, only 26.4% of the bus owners' demand is justified.

Although no agreement was reached by 1 September 2004, PTA decided to postpone industrial action following the intervention of the Roads and Urban Development Minister, who is attempting to solve the deadlock between PTA and ADT.