

Deadlock between government and Public Transport Association leads to industrial action

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The Public Transport Association resorted to industrial actions and threatened to dismiss 40 employees after negotiations with the government failed to increase subsidies to its members. The government adamantly refused to consider the issue of public transport subsidies unless discussions included its proposed reform of the public transport system.

The Public Transport Association (PTA (<http://www.atp.com.mt/>)), represents all scheduled bus service owners (about 430 persons) and is responsible for the signing of collective agreements with the Malta Transport Authority (Awtorita' Dwar it-Trasport, ADT (<http://www.maltatransport.com/en>)). The key issues of the agreements include establishing the price of ticket fares, guaranteeing the annual sum paid to every route bus when financial targets are not met and improving the public transport service. While bargaining is conducted between PTA with MTA, the final agreement must be approved by the cabinet of ministers. In October 2004, the PTA and ADT signed an agreement delineating, amongst other things, that a subsidy of MTL 1.1 million would be granted, which was adjusted taking into consideration the price of fuel and the cost of living.

In the first week of July the PTA requested an additional MTL 600,000 as compensation for losses incurred. The PTA's President stated that the increase in fares which came into effect as of this year, was insufficient to compensate for the increase in costs stemming from hikes in the price of fuel, eco tax, the running of 47 unviable bus routes (out of a total of 82 routes) and significantly higher maintenance costs. Although the Union of United Workers (Union Haddiema Maghqudin, UHM (<http://www.uhm.org.mt/>)) Secretary General together with a former Industrial Tribunal Chairman were called in as mediators, they did not manage to forge an agreement in time to avoid industrial actions, which started on 12 August. These actions included stopping the services of most routes at 8 p.m. ADT also threatened that it would have to dismiss 40 employees.

The government deemed the PTA's request for an additional subsidy as preposterous and categorically ruled it out, even though the PTA cut its request by half. ADT struck back and started withholding MTL 2,000 a day until the PTA halts its directives. ADT also said it would reduce its subsidy by a further MTL 5000 for each worker laid off. The government affirmed that following an agreement held last January, it had been foreseen that the MTL 0.05 increase in bus fares would result in a surge of MTL 1.5 million in earnings. Hence, every bus owner would get a gross payment of MTL 14,800 in 2005, MTL 1,000 more than 2004. The government stated that this increase was enough to cater for

all the expenses incurred. Apart from this revenue, the government also revealed that another sum was granted each year to partly cover bus insurance.

The issues at stake include not only the subsidies but also a proposed reform of the public transport system. Such reform is based upon a report drawn up for the ADT, known as the Halcrow Report. The report states that Maltese buses are grossly underutilised when compared to their European counterparts. It also criticises the existing shift system and the manner certain routes are set. While the government is resolved not to negotiate subsidies unless they are incorporated with the issue of restructuring, the PTA President expects the 2005 subsidies to be negotiated before initiating talks on the reform, arguing that the PTA needs time to study the suggestions of the Halcrow Report.

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