

# PUBLIC TRANSPORT IN MALTA

A vision for Public Transport which fulfils public interest in the context of environmental sustainability

A document drawn up by the Ministry for Infrastructure, Transport and Communications.

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## INTRODUCTION

The Government and all the Maltese and Gozitans demand a reform in the Public Transport. It is now the time to take factual action that by 2015 will ensure a public transport system that truly meets our needs.

In the past many different initiatives were attempted to address recurring problems. Whilst progress was achieved within certain areas, nonetheless the general public remained unsatisfied with the basic level of service received. It is pointless pointing fingers and more likely that each one of us has to burden some of the blame. It is important that we now look forward, and together, try to find solutions to the problems that we have been long aware of.

The public does not necessarily express their discontent through complaints and protests. In general, complaints are filed only after acute events or to file a criminal offence. The sheer number of complaints in themselves cannot be taken to be a barometer of the satisfaction in the service received. In truth the only true indicator of the success or the failure of the system is the demand for the service itself. This alone tells us that it is costing the public more to cover the same trip; avoiding the system altogether and finding alternative solutions.

I do not accept the reasoning that the increase in private transport and decrease in public transport is in itself a sign of progress. The truth is that modern cities rely on effective public transport to ensure their mobility, their success and their economic growth.

For our country, I want to see a public transport system that the Maltese and the Gozitans use because it is better than their own; one which the tourists speak about positively when they return back home; one that encourages you to switch from buses to ferries to taxis (even electric) should

you so wish. For my country, I want a transport system that minimises on pollution, that takes into account the width of the roads and the distances of the trips we make, and one that is replaced when out of date.

I am well aware that all this costs money and that we must find an integrated system that is equally economically viable with the Government subsidising social segments that truly deserve it. In addition, I understand that the public will be willing to pay for a system that is modern, efficient and professionally managed to give a service of excellence.

Our mission statement, I believe should therefore be:

***“to create a public transport service that is sustainable both environmentally and financially, integrated and modern; one designed to serve the needs of those who use it”.***

A handwritten signature in black ink that reads "Austin Gatt". The signature is written in a cursive, slightly slanted style.

**Austin Gatt**



## WHERE WE FAILED

The following are probably the reasons why till now, the public transport system has failed in our country:

- 1. Our bus routes** were set out many years ago and our system reacts too slowly to the changes in demand for new routes or frequency.

The Valletta bus terminus is the epicentre to which all bus routes converge implying that towns close to each other but at a distance from Valletta do not have an effective connection. New real estate developments and increased concentration of the demand for transport rarely have any influence in the planning of public transport. Change only occurs when it is the Government to take the initiative and the Government is discouraged by all the contractual agreements it has, which imply that rather than new routes lead to an increase in income for the public transport, these are simply translated into an increase in the subsidy amount that the Government has to pay. Furthermore, the rigidity of our bus routes is a further unnecessary drawback, since the very fact that we utilise buses (as opposed to trains or trams) should imply that we could change routes rather rapidly - a fact that we have never managed to achieve.

- 2. The buses used on our routes** are inadequate to meet our needs. The buses we have are all of the same size - too small for some of the more popular routes and too large for others. When too large for the route, this translates to entire populations (generally in the older villages and towns) being totally isolated from access to public transport. In the case in which the buses are too small for the route, we address the situation by simply adding the number of buses that service the route and therefore increasing the inefficiency.

**3. The buses are old** and their replacement programme is slow and becoming obsolete. There are too many buses that do not meet with the rightful expectation of the general public. We debate on the issue of air conditioning when there are many of our buses that do not even have adequate ventilation or decent seating.

**4. Having a system in which the majority of the buses are owned by the individual driver** translates into a huge cost in subsidies to have these changed. And by the time we change all those that need to be changed, the ones we refer to as modern today will be outdated - unable to sustain the reduced level of emissions that we need in our towns and cities.

**5. The drivers' daily roster system is wrong.** First and foremost when on duty, the driver works for 16 hours. This is an exaggerated amount of hours that is dangerous. It is therefore understandable that the passengers complain that the drivers are rude and frustrated. It is only thanks to the skill of our drivers that we do not sustain an additional volume of accidents with such rosters; but we cannot accept the burden of this risk any further. Secondly we cannot sustain a system that is based on 500 units when, on a daily basis, only half of these are being used as the other half are off duty. This is like saying that since you cannot get an Air Malta pilot to fly for 24/7, the aeroplane is kept in the hanger and cannot be flown by any other pilot. We are throwing away money that could go towards the betterment of the service.

**6. We guarantee the licence holders the same income regardless of the demand and use of the service.** This system was introduced towards the end of 1995. I do not find it a coincidence that until 1995, the use of the service was on the increase, whilst after 1995, it started

decreasing. Ever since the income of the operator was not directly associated with the direct income from the service, we stopped seeking customers and at times even chased these away as it profited the operators to have fewer customers, decreasing the running costs whilst at the same time, maintaining the same level of income.

**7. The public transport operators refuse to keep their potential clients updated.** The routes are full of exceptions to frequencies, secondary routes and cuts in the service that are never communicated to the general public. The attitude till now was that the operator's role, the Public Transport Association, (hereinafter the ATP) was to ensure that a bus service existed. That there were adequate bus shelters supplied with the right information was a problem of the regulator, the Malta Transport Authority, (hereinafter ADT). Evidently, the system does not function. The ADT is unaware of what the ATP decides and the ATP is not obliged to keep anyone informed.

**8. The ATP has around 400 members, each of whom owns a part of the public transport system.** This means that the ATP is not a good business partner for the Government. The ATP has never taken a stand as to whether it is a contractor employed by the Government on an important public service, or whether it is a union whose role is to negotiate working conditions for its members. No business partner who is in disagreement with their client will go on strike to argue the disagreement. This situation manifests itself also in times of tranquillity and not only in times of social unrest. This is a problem at the core of the system; a system that defied change and never let this take place.

**9. The ADT not only has no real control** over the ATP operation on the roads, but should it detach itself as the regulator to deal with ATP as though it were a private supplier, ATP



takes the role of a union discussing with management  
. Enforcement trickles and in the full picture one sees  
that no one actually does anything.

The failure of the service that is being supplied to the general public is an unnecessary cost to our country. Whilst on one hand - like other countries - a substantial part of public transport consists of a social service that needs to be funded from taxes, on the other hand the truth remains that we are not being given value for our money. We are giving the public a sub-standard service and we are experiencing a greater number of people opting to use their private vehicles, even for trips that could easily be carried out on public transport. This leads to unacceptable levels of traffic congestion that all contribute towards the decrease in our economic productivity whilst at the same time damaging our children's health; especially those who suffer from respiratory deficiencies.

All this is not being said so as to accuse anyone, but rather to identify the realities and facts as they are and use these to highlight the path that needs to be taken to move forward.







## WHERE WE WANT TO BE

Following the directives of this Ministry, over the last months the ADT has updated the vision in which the future public transport of our country will develop. This is not a simple assignment and was only possible since previous administrations and Ministers have already completed most of the work.

Nonetheless it is obvious that putting vision into practice requires a lot of thought and research, and before any of this is implemented extensive discussions are required, first and foremost with the general public. It is a great satisfaction to experience the high level of general public interest in this project. We have to treasure this interest so that before taking any decision, we do not only consider that which the technical people or the operators have to say about the project; but we consider the thoughts of those who currently use or are potential users of this public service.

Whilst it is obvious that we need to take the necessary steps to ensure the details of the reform; it is equally important that the principles are set clear right from the start; ensuring that the reform leads to exactly where we want us to be. In principle, the public transport reform is based on the following considerations:

- 1. The principle aim of this reform must be to convert private transport preference to that of the public service.** We need to counter the tendency to prefer individual means of transport to transport in groups. If we fail this will lead to nation-wide traffic paralysis in addition to the fact that we will be choked within the same air that we ourselves pollute. Group transport can take different forms; equally with or without schedule; by means of a route bus service or other scheduled means.

**2. “Public Transport” must include all possible means of transport.** We need to reach a situation where taxis - traditional as well as electric - ferries and boats are used more regularly as means of transport, integrated together much better in their schedule of service. We need to evaluate the possibility of the introduction of trams on specific routes particularly those of highest traffic that require the fastest service and aim to introduce these as part of the second stage of the public transport reform.

We need to use all possible means to transport people from one point to another in the most efficient manner. The truth is that our country has an old tradition in alternative means of public transport that have been forgotten. The lift in the Upper Barraka, the tram from Valletta, the Mdina train, the ferries and water taxis were all very much used until abandoned. It is ironic that mobility has in fact been reduced over the years by the sheer dependence on private transport.

Whilst not neglecting the fact that we have a social obligation towards those who are too old, too young, mobility impaired or simply too poor to have their own car, from the practical side, if everyone who could own a car were to use it on every trip they make, this would inevitably lead to “nation-wide traffic paralysis”.

Nonetheless not all trips are the same likewise not all means of transport can be appropriate. Whilst for some trips a private car is required, for others, taxis, water taxis, ferries or trams can be equally appropriate and viable.

**3. We require a new fleet of route buses** of reduced size and level of emission that meet our objectives set post Kyoto; buses that are changed regularly without direct Government capital expenditure. This means that we

will have larger buses on major routes and roads, whilst smaller buses (even vans) servicing our smaller villages and cities. It also means that we should consider vehicles that are Euro Certified (possibly Euro 5 or Euro 6) and possibly leasing these rather than buying them; to ensure that these are replaced before becoming a burden.

**4. We need to have a clear distinction between scheduled and unscheduled services** and that buses used on a route service are restricted from being used to carry out private routes. This is a natural consequence of the need for a new fleet; one that meets the requirements of our country’s route bus service, consequently eliminating the custom that only half of the buses available are used on a daily basis.

**5. Public Transport needs to be backed by an integrated transport system** that moves major traffic away from the centres of the villages and links this with that of the bus terminus. We need, where applicable, a blend between private and public transport as reflected effectively within the concept of the Park and Ride in Floriana, a system that needs to be extended to other centres.

**6. We need express services** that link between them critical points on the islands - such as the airport, Mater Dei and the Sliema Ferries. These will be given priority on the roads with lanes and traffic lights that give them presidency.

**7. We should have a regular service** that links neighbouring villages regions that experience high density traffic and yet today are not effectively serviced by public transport means.



**8. We should have a service that caters for peripheral destinations as well as a night service,** even if these are not economically viable without being subsidised.

**9. Within the context of a new commercially viable public transport system, we need to cater for reduced fares** for sectors of the community such as senior citizens, students, people with disabilities and others whose dependence on public transport should not be an obstacle or social disadvantage to them.

**10. We should institute disincentives based on traffic planning** so as to avoid private vehicle use, where possible. The Valletta CVA had precisely this effect and is a very important example for what we plan to implement in the future. Likewise, the public transport dedicated lanes are a positive example that encourages the use of public transport.

**11. Frequent use discount ticket schemes** need to be introduced to encourage passengers to use public transport on a more frequent basis. Based on a prepaid system, the tickets can be bought from either shops or appropriate dispensing machines with automatic validation on the route buses, eliminating the need to distract the driver.

**12. We should engage a professional management structure,** which possibly, at first could be foreign, until we build our very own, based on skilled people; people which are currently unavailable to run the operation on an integrated modern public transport system.

**13. Scheduled bus drivers will be fully employed** and work hours in accordance to European Union directives, and when the driver is off duty, the bus is seconded to another

driver. Obviously, we need to ensure that our drivers do not only own excellent driving skills but are also ambassadors of our country and should be modelled on the example of those few that already fulfil this role.

**14. IT should be applied at all levels** of the transport system to ensure that we build a system that caters for reports on the use of the system and therefore allows us to better our service, to control what happens on our roads, to integrate better the different systems and to give more facilities and information to the public. We should adopt all the innovations that have been introduced in this sector overseas to enable us to make good to our promise to the users of public transport on the timely and reliable service.

**15. The relation between the ADT (the contracting authority) and the service provider must be regulated by a service level agreement** (a clear example of this is that between the MMA and Gozo Channel) where we would have a professional contract between the Government and the service provider making the latter a valid and effective business partner. The contract will regulate what is expected from both the ADT and the contractor. Detailing expected quality levels and outlining penalties payable on shortfall. The basis of this is that whilst the contractor expects to make a profit from the operation; the contractor needs to perform within stipulated guidelines without guaranteed levels of income and taking on the risk of losing money should they not meet customers' expectations.

Based on these principles the ADT is building a new public transport network which should shortly be handed over to the ATP for their contribution, based on their extensive experience within this field.

In addition, two other projects of equal importance are being carried out - a study (together with preliminary costings) on what type of new vehicles we would be needing as well as a financial study (which obviously is a costing exercise) of the recurrent expenditure to be anticipated for a modern and efficient transport system.

These reports will also be sent to the Associations and will be published so that by the end of this year, everyone would have had enough time to express their opinions upon the Government's plans; opinions based on plans, reports and factual visions.





## WHO WILL OPERATE THE SYSTEM

The objectives of the reform as previously outlined need to be reached regardless of who it is that will manage the new system - be it Government, the ATP or another company or organisation - this should not influence the results that we want to achieve.

The management of the new Public Transport system in our country is regulated by the European Union that stipulates that as from 2010 each member of the European Union must adopt one of three measures to ensure the liberalisation of the transport market:

- 1. Operated by a public authority** - in the case of Malta this means that the Government practically nationalises the public transport by buying all the issued private licences, setting up an independent company (through a direct order) that establishes a service level agreement with the ADT. According to the regulations of the EU, the Government can only hold a majority of shares in this company whilst the rest must issued to the public. It seems that after a period of time, the Government may also sell these shares to a private entity as long as there is a public contest. In this case the Government needs to discuss the detail of the transition of the operation (and assets) that to date are in possession of the drivers, so that these are handed over to Government who in turn will adequately offer compensation in accordance to the current agreement.
- 2. Run by a private company** - in this scenario it would be required to issue a public tender notice open to all on a European level. This procedure has already been adopted in other countries and it seems that there may be foreign organisations that could be interested in taking this on as there are European organisations that have won contracts of such nature in other countries, even in Mediterranean islands. The competitive tender process will definitely raise

interest from different organisations and not only from the ATP.

Within this scenario, should the ATP show interest in wanting to compete, one would expect the ATP to conduct radical internal reforms. It must change its legal status from Association to a company, adopting shareholders instead of memberships, end the concept of bus ownership, bus owners become shareholders that must elect a Board of representation which will transfer onto it the decision making power on the day to day business issues. There must be a vehicle replacement programme and investments in different types of vehicles whilst at the same time reducing the overall numbers, introduce a professional management setup and source fresh capital possibly through new members who will be able to provide the finance..

In a few words, the ATP must ensure a radical cultural change in order to compete.

- 3. Management by a number of SME's** - in the case where a particular contract can be awarded to an SME (as defined and stipulated within the same EU regulation) it will not require the call for a tender and can be awarded through a direct order. As the ATP is aware, in the previous administration, the Ministry had explored the possibility, together with the EU, to form around eleven SME's from within the ATP, having a pooling /centralised financing. The initial feedback of the EU Commission is definitely contrary to this solution. This solution can be viable for Gozo - since this was developed for small or peripheral areas - but it seems that it will not be viable for the case of Malta.

Obviously there are a lot of details that the regulation itself goes into and it is impossible to go into these here.





## CONCLUSION

Before any decision is taken, the Government must listen to what the Maltese and Gozitans have to say as well as ATP's ideas regarding the future of our Public Transport. In particular we must listen to their views on management systems. It is precisely for this reason this document is being published. The documents due to be published relate to the new network, the type of vehicles and the financial study on the system as a whole. These are planned to be published between August and October 2008. This implies that by the end of the year, there is sufficient time to have comprehensive and informed discussions on the subject of Public Transport in Malta, so that by mid next year, the Government can take the appropriate steps to implement a concrete plan to meet the set objectives.

Apart from this, we are studying the introduction of ferries and water taxis with the aim that these are introduced by next summer whilst we are also commissioning a detailed study on the introduction of a tram on one (or two) particular routes that are planned for implementation after the changes in the Public Transport system are effected. Since we are still at the preliminary stages of these studies, it is still early days to communicate any implementation dates as the economic viability still needs to be proven.

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