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19th May 2003

Dr Thomas Parry
Chairman
Independent Pricing and Regulatory Tribunal of NSW
Level 2, 44 Market Street
Sydney NSW 2000
(P.O. Box Q290,
QVB Post Office NSW 1230)

Dear Dr Parry,

Determination of Passenger Transport Fares from September 2003
Private Buses and Ferries

Our submission to the Tribunal's 2003 Enquiry into Private Bus, Ferry and Taxi Fares is attached.

The submission is set out as follows:

1. Summary
2. Taxis
3. Private Buses
4. Private Ferries
5. Other

Appendix A – Survey of Private Bus Ticket Types
Appendix B – Current Maximum Private Bus Fares
Appendix C – Survey of Private Ferry Ticket Types

We will be happy to provide the Tribunal with further information if required.

We have not seen any submissions from the BCA, the CVA or any government department. It is possible that we may present a second submission after seeing these documents. We also mention that this document was substantially completed before the minister, Mr Costa, made his announcement about funding on 12th May, and we have made no allowance for that.

We express our thanks to the staff of the Tribunal, to the BCA, and to the many private bus and ferry operators who assisted us with this submission.

Yours faithfully,

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Submission to the Independent Pricing and Regulatory Tribunal of NSW Determination of Passenger Transport Fares from September 2003 Taxis, Private Buses and Private Ferries

From: Action for Public Transport (NSW)
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1. SUMMARY

Private Buses

(a) We have not seen any submissions from the private bus industry, but we assume that they will be seeking a fare increase. We would have no objections to a fare rise, if it can be justified, of 5 % or less per single ticket for metropolitan services, with no individual fare to rise by more than $0.30.

(b) A further adjustment may be necessary to recoup the cost increases over a period of ten months from September instead of twelve months from July.

(c) We recommend the continuation of the existing Cost Index method for determining fare rises. While it has some flaws, it is simple to use and is not distorted by factors outside of the industry.

(d) We consider that price of a ticket is less important to customers than other factors such as frequency, hours of operation and location of routes. The standards of service need to be more precisely stated by operators in Customer Charters, and they need to be more closely monitored by the regulating authority.

(e) Most metropolitan operators have some form of special tickets or discounts. We recommend that all operators work with the BCA and the Department to introduce or extend these benefits. At the same time there needs to be some simplification of the smorgasbord of ticket types and discounts available over the whole area.

(f) Other bodies such as local councils, the RTA and the police can help to improve the quality of private bus services. It is not just the job of the bus company.

Private Ferries

(g) A cost-based fare rise cannot be properly calculated until safety and training are improved and those costs added in. Until then, no more than a CPI rise, if justified, should be given. Adjustments can be made in next year's determination when all costs are known.

(h) Some of the smaller ferry operators need help to improve their business and marketing skills to turn around declining patronage.

2. TAXIS

While we recognise the importance of taxis in the overall scheme of public transport, we have no expertise in the relevant cost, revenue, regulatory and service factors, and so have made no comment on them in this submission.

3. PRIVATE BUSES

The format of our submission follows the Terms of Reference in the Discussion Paper (DP62), supplemented by responses to the various “invitations for comments” where appropriate. We also mention that our comments apply mainly to the bus services in the Hunter, Sydney and Illawarra regions.

Without seeing this year’s cost analysis, we cannot comment on a particular proposal for a fare rise. However, we would accept a fare rise, if it can be justified, of no more than 5 % per ticket for metropolitan services, with no individual fare to rise by more than $0.30. This is equivalent to a 5 % increase on the 16-section fare of $5.90. Any increase should, of course, be applied to the exact authorised fare approved in 2002, and not the rounded fare. For comparison, the increase in 2002 was 4.2% on the basis of a rise in costs of 4.18%.

For the first five sections on the main scale, the result of a 5 % increase would be increases of 10 or 20 cents, depending on how the rounding worked out.

Sections	Existing Authorised	Existing Rounded	5 % Increase	New Authorised	New Rounded
1	1.10	1.10	0.055	1.155	1.20
2	1.70	1.70	0.085	1.785	1.80
3	2.35	2.40	0.118	2.468	2.50
4	2.74	2.70	0.137	2.877	2.90
5	3.11	3.10	0.156	3.266	3.30

On both existing scales the second and third sections step up by large increments, after which the increments quickly fall. In the authorised scale the steps are 60c, 65c, 39c and 37c. In the rounded scale the steps are 60c, 70c, 30c, and 40c.

After the fifth section, the increments fall to around 20 to 30 cents, but there is no pattern, or perhaps logic, to them. For example, in the authorised scale the increments from the 10th to the 30th sections are 22c, 25c, 23c, 22c, 22c, 22c, 19c, 17c, 20c, 20c, 20c, 17c, 19c, 15c, 18c, 17c, 14c, 19c, 15c, and 16c. This could be a hangover from a previous conversion, but maybe the time has come to adjust them.

i. the cost of providing the services concerned;

The Tribunal invites comment on Components and Weightings currently used in the commercial contracts Bus Industry Cost Index. (4.1.2)

While recognising the drawbacks of the Cost Index approach system, we agree that its attraction lies in its simplicity, and we recommend that it continue to be used.

We note that an improved analysis of costs and weightings has been promised by the BCA for this year’s review, and we hope that this will strengthen the case for retaining this system.

The Tribunal invites comment on the application of various possible fare-setting approaches to the private bus industry. (4.3.3).

The “External Cost Indices” method (4.3.1) covers the wider transport industry. While it may be simple, it does not closely match the costs in the private bus industry.

The “Indexation With Productivity Adjustment” method (4.3.2), as stated, would be difficult to administer, and there could be disputes over what is efficient or inefficient.

The “Efficient Costs or Building Block” method (4.3.3), as stated, seems intrusive, expensive and cumbersome. While it may suit industries with a few large suppliers (energy and water, for example), it does not seem appropriate for the private bus industry, with its many small and perhaps financially unsophisticated operators.

Some of the disadvantages attributed to the current Cost Index system in section 4.2.2 are debatable. Of course, the main disadvantage of any system is that the companies are operating a monopoly bus service. However, it must always be remembered that they are not operating a monopoly transport service. The public always has alternatives, such as community buses, private cars, taxis, bicycles, two feet, telecommunications, staying home, changing jobs, switching schools, or moving house. And the public has the right, or should have the right, to demand that the licence of a deficient operator be cancelled and transferred to somebody else.

The discussion paper says “it is very difficult for regulators to create incentives for suppliers that might induce them to implement efficiency improvements.” This is called the “carrot approach”. An alternative method is called the “stick approach”.

The discussion paper says, “it ignores the revenue side”. True, but Term of Reference (i) refers only to costs. There is plenty of scope in the other eight terms to adjust the fares for other reasons. In any case, while costs may increase fairly uniformly for all operators, it is unlikely that revenue will increase (or fall) uniformly across operators. Each contract area has its own characteristics.

Poor or lax cost control could be addressed by more stringent regulator audits. The privilege of a monopoly must be accompanied by subjection to tighter regulation.

The system may well “only approximate costs on average”, but an old accounting adage says that it is better to be nearly right than exactly wrong.

The system need not “almost always lead to fare increases”. It may lead to increased maximum fares, but the operator doesn’t have to charge those fares. Some operators do not charge the maximum allowable for single fares above about 8-10 sections. Amongst those companies who sometimes charge less than the maximum are Blue Ribbon, Buslines, Busways, Forest, Glenorie, Shorelink, Toronto, and Westbus. Toronto in particular heavily discounts all single fares, except the first section, by up to 35% below the authorised maximum. Many companies give discounts on other ticket types (see Appendix A). On the other hand, some give no discounts at all.

A rather off-beat approach to fare setting was described in an article in the “The Age”, Melbourne, on 2nd August 2002. This proposed replacing fares with a city-wide public transport levy. This has particular application to Melbourne where fare evasion is rampant, and the fares collected do little more than cover the cost of collecting them. Nevertheless, it could be considered for Sydney. Residents currently pay specific levies, rather than actual costs or general taxes, for Medicare, water reticulation, council garbage services, etc. We pay the same whether our garbage bin is full or empty, big or small. A “user pays” or “disposer pays” system for garbage is theoretically possible but quite impracticable. All people benefit from public transport whether they use it or not. People who have paid the levy for public transport might tend to use it more because “I’ve already paid for it” just as they use their cars for all trips because they have already paid for them. The problem with this approach would be the fight between the operators to see who gets what share of the pudding.

The Tribunal invites comment on the appropriateness of the present non-commercial model as a way of remunerating operators. (4.1.2)

No comments.

ii. relativities with the Government owned bus services, including in terms of service, efficiency, cost and ticketing products;

The Tribunal invites comment on the existing fare structure for private buses, including the range of tickets on offer and relativities with Government-owned buses. (5.2.2)

<u>Existing Fares</u>

A description and an abbreviated table of the existing authorised maximum fares is given in Appendix B.

The Department’s full schedule of existing fares covers four zones, two of which have eligible and non-eligible sub-divisions, with 70 distance sections in each zone. Each section has an authorised fare and a rounded fare for adults and the same again for concessions, making a grand total of 1,680 separate fares. We suggest that the schedule needs simplification, perhaps by stratifying the longer sections.

<u>Service</u>

Service, in the consumer’s eyes, consists chiefly of frequency, hours of operation and area of coverage (that is, how far away is the bus stop). Others aspects of lesser day-to-day importance are safety, reliability, travel time, on-board comfort, capacity, cleanliness, driver attitude, information and bus stop facilities. It is difficult to compare government and private services in the first three aspects quoted because of the generally disparate characteristics of the private and government areas. However, there is no reason why the private operators should not equal the government services in the other nine aspects.

<u>Efficiency and Cost</u>

Again, we see no reason why there should not be relativities between the government and private operators in efficiency and in costs.

The combined buying power of the private operators probably matches that of State Transit. Of the largest bus companies listed in Table 2.5 in the discussion paper, those in the Hunter, Sydney and Wollongong areas own about 1,800 buses, and smaller operators own more buses. The BCA and BAV (Victoria) have recently established a new company, Bus Parts Plus (BPP), to provide members with spare parts and consumables at competitive prices.

Ticketing Products

APT has surveyed over 30 of the largest operators in the Hunter-Sydney-Illawarra region by email, letter, phone and reference to web sites and brochures. We were surprised to find that, contrary to our expectations, most of them do offer discounts in some form. See the detailed results in Appendix A.

The following table compares ticket types offered by the private and government bus operators. It is important to note that no single private company offers any more than three of these ticket types. Many offer two, or one, and some offer none at all.

Type	Private	Government
Returns	Yes	No
Bus to bus transfers	Yes	Yes (1)
Ten Trippers	Yes	Yes
Day Rovers / Bus Trippers	Yes	Yes
Five-day weeklies	Yes	No
Ten-trip weeklies	Yes	No
Unlimited use weeklies	Yes	Yes
Combined bus-rail weeklies (zonal)	No	Yes
Combined bus-rail weeklies (point to point)	Yes	No
Stored value cards (2)	Yes (3)	No
Off peak discounts	No	No
Weekend discounts	No	No
Family fares	No (4)	Yes
Discounts below max. authorised single fares	Yes	No
Monthly tickets	No	No
Quarterly or yearly tickets	No	Yes
Inter-company transfers	No	No
Pensioner Excursion Ticket	Yes (5)	Yes (6)

(1) Limited in Sydney, but the norm in Newcastle with Time Based fares.
(2) Note that these tickets do not speed up entry. The passenger still has to ask for and the driver still has to enter a particular fare. This can cause traffic delays in the CBD during the afternoon peak hour.
(3) One company gives incrementally larger discounts for more frequent use.
(4) Apart from a tourist pass issued by Surfside on the Gold Coast.
(5) In one case only, where a private operator matches the P.E.T. available in an adjacent government area.
(6) This largesse is offered, not by the STA, but by the state government.

The passenger is not the only beneficiary from these tickets. While the passenger saves time and money, the operator can benefit from faster loading, less cash handling, use of the money in advance, reduced paper and printing costs, etc.

Operators provide (or withhold) these tickets and discounts for various reasons – competition from private transport, public relations, marketing, etc – each according to local circumstances. What works for one operator may not work for another.

Special tickets may be a benefit to the local community where they are used, but visitors to the area may not know about them. We suspect that if the people in Company A’s area knew what sort of discounted tickets the people in Company B’s area received, they might clamour for them.

The concept of inequity occurs not just in the private versus government debate. There is inequity between one private company and another, and, in some cases, even inequity between different areas served by the same company.

The variety of tickets is also an impediment to any attempt at standardising the system on a Sydney-wide or region-wide basis.

We are told that the coming smart card will make things easier for the public. “A key benefit of having just one ticket”, said Minister Scully in his media release on 20th February, “will be that instead of queuing up to pay the fare, the preferred fare can be automatically loaded on to your smart card when it is required.” How can a person know what is the preferred fare in Cronulla when he comes from Wahroonga?

If public transport is to be as user-friendly as the private car, then there has to be some standardisation. To be sure, a single ticket is standard everywhere, but that is the more expensive option for an unsuspecting newcomer.

It defies the imagination that all these ticket types, plus any more that might be discovered or dreamed up, can be accommodated on the proposed smart card.

We recommend that some rationalising of these ticket types be attempted, under the guidance of the BCA, the Department of Transport, and consumer representatives, while at the same time not losing the benefit to consumers of products designed for the local market.

iii. the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standards of service;

The Tribunal invites comment on the quality of service offered by private buses and the adequacy of the current performance and reporting standards. (6.1.2)

Consumers are afforded some protection from the abuse of monopoly power by the setting of maximum fares and by limited supervision from the DoT. However, we understand that the mainly self-regulation approach now in place is not working.

The low level of supervision by the DoT may be partly due to the lack of resources allocated to that section by the Department. We recommend that more funding be provided to the regulatory process in the Department of Transport.

One step towards monitoring and protecting standards of service is to use Customer Service Charters. A Customer Charter issued by the Buslines Group (with buses in Berrima, Orange, Tamworth. Dubbo, Lismore and Picton) covers the following items:

- Care for Children
- Frequency of Service
- Reliability
- Accessibility
- Capacity
- Customer Information
- Cleanliness of Vehicles and Premises
- Journey Comfort
- Value for Money
- Telephone Enquiries

- Lost Property
- Customer Contact Staff
- Customers (that is, the obligations of passengers)
- Customer Suggestions, Complaints and Compliments
- Consulting You.

According to the company they are in no particular order, but in our opinion they seem to be in roughly the order of preference that a passenger would be looking for. Safety is not specifically mentioned, although it is no doubt implicit throughout.

Other companies probably have similar Customer Charters, but this one is a very good example. It is difficult to be precise about many of these aspects, which refer more to quality than quantity, but Buslines has tried to quantify some of them.
See http://www.buslinesgroup.com.au

If the regulatory authority, whoever that is in these changing times, could display more authority and less acquiescence in monitoring the regulations, then the customer would be better protected against declining service standards.

iv. the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers;

It is, of course, only in a monopoly situation where the government has to be concerned about a company's efficiency. In a competitive market, the inefficient company will not last very long.

The BCA claims that the industry is in fact efficient, and we have no reason to doubt that, nor any method of verifying it. If the industry is efficient, we see no need for greater efficiency. In fact, if "greater efficiency" leads to "reduced costs" then we have grave doubts as to whether it will be "for the benefit of consumers". In cost-cutting campaigns, the first thing to go is always maintenance, and that produces, not a benefit to the consumer, but a risk. Similar "efficiencies" usually lead to other dubious "benefits" such as reduced frequencies, less comfortable buses and unhappy drivers.

The bus company is not the only body that has the power to bring benefits to bus passengers. Other movers and shakers include the following:

- local councils can move the bus stops to better locations
- local councils can improve the facilities at bus stops
- local councils can display and distribute route and timetable information
- the RTA can provide more bus priority measures
- the police can assist with bus priority
- parking officials can keep cars out of bus stops
- land developers and councils can assist with the design of residential estates
- shopping centre developers can assist with the design and provision of bus bays
- shopping centre managers can assist with the display of information
- Government departments and committees can oversee all these things
- Passengers can help, too, by boarding promptly and not leaving rubbish behind.

While not directly relevant to this enquiry, it may be of interest to mention the "taxi-bus" that operated on the Campbelltown to Ambarvale route from December 1981 to November 1984. Ordinary buses provided the service six days a week, but a Sunday service using such a bus would have been unprofitable. Under an arrangement with the then UTA, the BCA and the Taxi Council, a taxi provided the Sunday service using the bus timetable, route and stops, and charging bus fares. At the end of those three years, a normal bus replaced the taxi.

v. the impact of pricing policies on borrowing and capital requirements and, in particular, the impact of any need to renew or increase relevant assets;

The uncertainty associated with the tendering and contract system creates difficulties for the operators in obtaining finance. For instance, they may have trouble raising a loan over seven years to buy new buses or plant when their contract can be terminated after five years.

vi. the need to maintain ecologically sustainable development;

The Tribunal invites comment on environmental issues and how these should be considered in the fare setting process for taxis, private buses and private ferries. (7.1)

Better public transport services, however one defines that term, should lead to increased use of those services, and decreased use of private vehicles. It is generally agreed that motor vehicles are a prime source of pollution (noise, air and water) and a rapacious consumer of land and fuel. A shift from cars to buses or trains will reduce this pollution and over-use of resources. Public transport itself, of course, pollutes and uses resources, but much less per person than a private vehicle does.

We commend to readers the “Benefits of Bus Travel” page on the Oliveri web site http://www.metrolink.com.au. It is ironic that, as far as we know, Oliveri is one of the few operators in Sydney that provides no discounts or special tickets for users at all.

Bus companies require adequate funds to meet the operating and capital costs of providing a good bus service. If the government (state or federal) is serious about wishing to reduce car usage, then some method needs to be devised to supplement the fares income of the operators.

vii. the social impact of the recommendations;

The Tribunal invites comment on the potential social impacts of fare increases, and how such issues should be considered in the fare setting process. (7.2.5)

The potential social impact of fare increases is minimal. This statement will probably draw some sharp criticism. However, we consider that the potential social impact of inadequate public transport is far greater than the impact of fare increases. Most low-income recipients (children, students, pensioners) are entitled to concession fares.

We concede that there is a problem with people in part-time or low paid work, where their income, although low, disqualifies them from receiving concession fares. Perhaps there is another way of addressing this problem apart from unrealistically low fares.

Some bus companies provide concessional fares to certain people and at certain times beyond their contractual obligations. This is not altogether altruistic –

marketing, customer loyalty and public relations play a role. If this attracts people to public transport, it is to be commended, and perhaps rewarded by the government.

The social impact of inadequate transport means that people who live in poorly serviced areas, and who do not have a car, cannot go where they want to when they want to, even if they can afford the bus fare. “People without cars” includes people who can’t afford one (the poor), people who have access to one but can’t drive (the young, the old, the handicapped and the sick) or are temporarily disqualified, and people who do own a car which someone else is using for the day. These people need public transport for shopping, health care, visiting, recreation, sport, entertainment, out-of-school education, etc. It is usually not the level of fares which prevents them from using public transport, but the lack of public transport.

viii. standards of quality, reliability and safety of the services concerned (whether those standards are specified by legislation, agreement or otherwise and any suggested or actual changes to those standards as notified to the Tribunal by the Minister of Transport);

We refer the reader to the comments under item (iii) above concerning a Customer Charter. Again, we commend the Buslines Group charter as an example.

We are unsure exactly how the regulator assesses an operator’s “quality, reliability and safety”, but we wonder whether some form of points score might be used. An operator could be marked from 1 to 10 in perhaps 20 different aspects. A pass mark would be set for the total points, conditional on individual pass marks being received in certain key areas such as safety.

ix. the effect of any pricing recommendation on the level of Government funding provided to private operators under commercial and non-commercial contracts.

Any pricing recommendation that limits an operator’s revenue to below what is necessary for operational and capital needs will, presumably, create some pressure for increased government funding. This, of course, does not excuse an operator from making no attempt to increase patronage through his own efforts.

4. PRIVATE FERRIES

This part of the submission follows the Terms of Reference in the Discussion Paper, supplemented by responses to the various “invitations for comments” where appropriate.

i. the cost of providing the services concerned;

The Tribunal invites comment on the quality of private ferry data, individual cost components and the appropriateness of the present approach to fare-setting. (4.1.3)

Before the cost structure can be properly determined, a review of safety and crew training by all operators is required. Only when the cost of this is known can the cost structure be assessed.

The Department of Transport should provide some assistance to operators with transport planning and scheduling. Some operators have low patronage, their services are poorly marketed, and are not widely known. These operators suffer from what we used to call “the mechanic’s syndrome” in small private bus concerns. They knew all about gear boxes, but little about fare boxes and timetables. Fortunately, most of them are gone from the buses, in Sydney anyway, but the syndrome may still persist with small ferry owners.

The industry body, the Chartered Vessels Association, concerns itself mainly with chartered vessels, as the name suggests, and has limited expertise with scheduled passenger services.

There is a lack of data on revenue.

The Tribunal invites comment on the application of various possible fare-setting approaches to the taxi, private bus and private ferry industries. (4.3.3).

The private ferry operators in Sydney are such a small and mixed bunch that it is difficult to fairly apply any common approaches to fare-setting. Some of them run fast ocean-going vessels at premium prices, some serve small isolated communities who rely on the ferries, some merely provide an alternative transport service to local buses, some are full-time, others are peak hour only, and some are tourist oriented.

The existing cost based approach seems adequate in the circumstances.

For the record, the maximum increase recommended by IPART in 2002 was 5.00%, We have not checked the arithmetic of how the 2001 fares were converted to the 2002 fares.

ii. relativities with the Government owned ferry services, including in terms of service, efficiency, cost and ticketing products;

We consider that it is inappropriate to seek relativities with the Government owned ferry services, especially those in Sydney.

State Transit has:
- a better ability to make long term investments
- larger and more sophisticated ferries
- usually more comfortable ferries
- the fastest ferries
- better safety and crew training
- much higher quality of service
- better advertising
- economies of scale due to the large fleet of 32 ferries.

State Transit’s Stockton ferry in Newcastle would be the closest for comparison with private ferries. The government services in Sydney Harbour are more complex and varied.

The Tribunal invites comment on the existing fare structure for private ferries, including the range of tickets on offer and relativities with Government-owned operations. (5.2.2)

Details of the fare and ticketing arrangements of the main private operators are shown in Appendix C.

In summary, three of the four main operators in Sydney have some form of discounted ticket for regular travellers. The fourth one used to have weeklies, now doesn't, but is reconsidering and is asking passengers their preferences regarding a periodical ticket.

No ferry company has inter-modal tickets. Interchange locations where such tickets might be considered, especially for regular commuters, are:

- ferry to bus at Circular Quay
- ferry to train at Circular Quay
- ferry to bus at Palm Beach
- ferry to train at Woy Woy.

iii. the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standards of service;

The Tribunal invites comment on the quality of service offered by private ferries. (6.1.3)

- Palm Beach Ferries are the bench-mark ferry operator. It is a dynamic company with four state-of-the-art high-speed ferries.

- Hegarty's services around North Sydney are important due to the high residential densities there.

- Matilda's Darling Harbour service is a tourist service

- Matilda's Lane Cove services must be reviewed by the Department of Transport with regard to minimum service levels. The hours of operation must be extended. At present the ferries run peak hours only Monday to Friday. There is no service between 9.00 am and 3.30 pm weekdays and nothing at all on weekends.

- Matilda's service along the Parramatta River to Homebush bay has, we understand, been less than successful.

- Other regional services are important to the local residents, especially in isolated communities like Bundeena.

iv. the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers;

As with the private buses, APT is highly sceptical that greater efficiencies by way of cost cutting will result in any benefits for consumers at all.

v. the impact of pricing policies on borrowing and capital requirements and, in particular, the impact of any need to renew or increase relevant assets;

Some smaller operators may find it difficult to finance new ferries. However, we note that Matilda is owned by the international hotel chain, Accor, and capital should not be a problem in their case.

vi. the need to maintain ecologically sustainable development;

The Tribunal invites comment on environmental issues and how these should be considered in the fare setting process for taxis, private buses and private ferries. (7.1)

Any high-speed ferries must be low-wash. The Department of Transport and Waterways must measure the wash of vessels, and preferably check the specifications before the ferries are ordered and built.

vii. the social impact of the recommendations;

The Tribunal invites comment on the potential social impacts of fare increases, and how such issues should be considered in the fare setting process. (7.2.5)

Regional ferries are very important for the local community.

In some cases, high fares do not seem to be a problem. The one-way adult fare on the Palm Beach - Ettalong ferry is $7.50, which many people are happy to pay for the service and convenience.

viii. standards of quality, reliability and safety of the services concerned (whether those standards are specified by legislation, agreement or otherwise and any suggested or actual changes to those standards as notified to the Tribunal by the Minister of Transport);

In general, the standards of quality, reliability and safety of the private ferries must be improved.

There needs to be more training in safety aspects, especially for high-speed ferries. State Transit captains have all been to Launceston for training in emergency procedures on the vessel simulator. Other companies operating high-speed ferries should consider doing likewise. The operation of high-speed ferries requires a culture of safety, which covers design, maintenance and crew training, as well as in traffic. This could be embodied in a Code of Practice.

Performance reporting is required. Data needs to be submitted on each vessel's age, carrying capacity, cruising speed and fuel consumption.

There needs to be a stronger focus on patronage growth.

ix. the effect of any pricing recommendation on the level of Government funding provided to private operators under commercial and non-commercial contracts.

No comments.

5. OTHER

Sundry comments about other private transport.

(a) Just for the record, we mention the following transport services, which appear to fall outside of the province of any IPART fares enquiry:

- Nightride Buses. We are not quite sure why these are excluded. They are replacement rail services and are monopolies on their contracted routes. However, it is not a problem. All CityRail return and periodical tickets and all TravelPasses with rail content are valid on the Nightride buses. Only single fares are affected, and we suspect that these are relatively few.

- Monorail. This is operated (but not owned) by Connex. The company has innovative fare deals, including family fares and admission to museums, etc and shopping discounts. The MetroCard, a stored value card, gives $4 rides for $2.50, and occasionally the company has special days when the card can be topped up for $2 a ride.

- Lilyfield Light Rail. Also operated (but not owned) by Connex and with similar fare deals including day passes, family day passes and weeklies, but no stored value. MetroConnect is a combined weekly light rail and monorail ticket.

- The Airport Rail Link Station Access Fee. This fee, also known as a GatePass, is added to the normal train fare to help recover the cost of building the four stations on the line. The fee for a single entry to or exit from Domestic and International stations is $8.80 and for Green Square and Mascot stations it is $1.80. The price of weekly rail tickets and TravelPasses to any of the four stations includes a weekly GatePass fee of $12.50, which is a huge saving. This allows unlimited passage through the station barriers. A weekly GatePass ticket can also be purchased separately for $12.50, but this does not include any train travel. The GatePass fee was increased in April 2003 independently of the rail fare.

(b) We understand that the new Liverpool-Parramatta Transitway services will not be subject to IPART scrutiny this year, because the fares for the first year of operation are specified in the contract. IPART's role will commence once this period has elapsed. For the record, the Transitway commenced operation on 16th February 2003.

(c) Something strange is going on at Sydney Airport. In the space of a few weeks in April and May 2003:

- the STA Airport Express bus was withdrawn,
- the Access Fee (Gatepass) on the AirportLink rail stations was increased,
- the AirportLink company introduced a "ten for the price of nine" rail ticket,
- the Sydney Airports Corporation wants to charge taxis $2.80 for using the airport.
- and the SAC wants to charge shuttle buses $7.00 for using the airport.

A cynical observer might conclude that the privately owned airport is trying, with government acquiescence, to funnel everybody through the unprofitable railway stations.

(d) APT is keeping watch on the development of the Integrated Ticketing / Smart Card project. We have doubts whether it will achieve the benefits claimed for it by the proponents, at least for the consumers. It seems to us that the main beneficiaries will be the software company and the bankers who manage the purse.

(e) The Pensioner Excursion Ticket provides all day travel on government trains, buses and ferries for $1.10, $2.20 or $3.30, depending on the area. As mentioned in our submission to the government fares review, there are two problems with it. Firstly, it is too cheap; at least the $1.10 Sydney ticket is too cheap. Secondly, it cannot be used on private buses and private ferries.

We recommend that the whole arrangement be reviewed by the government, giving consideration to changes such as – increasing the $1.10 price, introducing regional zones (in addition to or replacing the concentric zones), and extending it to cover all public transport. We realise that the state government and not IPART determines the price of this ticket, but we consider that IPART should at least raise the matter.

(f) The School Students Transport Scheme (SSTS) is not part of this review. We mention it, however, as a reminder that the SSTS, along with charter work, helps to subsidise the scheduled passenger services for many operators.

(g) On 12th May 2003 the Minister, Mr Costa, announced that IPART would conduct an enquiry later this year into the overall funding of public transport. He did not specifically say so, but we assume that the enquiry will cover CityRail and State Transit only. If public transport is ever to be thought of as an integrated system, just as the roads are, then the enquiry should cover private buses and private ferries as well.

While rounding off this submission, the writer re-read APT's 2002 submission, and was depressed to find that nothing had changed. All the problems and deficiencies that we reported in 2002 are still here in 2003. Except perhaps one. Last year we said that not many private companies had special fare or ticket deals, while this year the news is much better. However, we suspect that this is more due to the inadequacy of our previous survey than to any improvement in the real world. Our one consolation is that things haven't got any worse

END

APPENDIX "A"

Submission by Action for Public Transport to IPART Private Bus and Ferry Enquiry

BUS COMPANIES – TICKETS AVAILABLE

A survey of about 30 of the largest operators in the Hunter-Sydney-Illawarra region, conducted by email, letter, phone and reference to web sites and brochures.

Operator	Special Tickets
Baxters/Holroyd Girraween	FareSaver: a stored value card giving 10% discount on all fares, including student and concession. "10 over 7" Weekly: Workers Flexible Weekly Ticket that allows full-fare passengers to save 20% on 10 trips over seven consecutive days.
Blue Ribbon Thornton	Super Saver: 50% discount for pensioners in one particular contract area (Wallsend). Weekly Adult tickets at 8 times the adult fare, valid for 7 days from date of issue. Pensioner Weekly tickets - as above. Special Weekly: 50% discount for workers in one particular contract area (Tilligerry Peninsula).
Buslines Picton	Single tickets are capped at the price for 14 sections. No other discounts or special tickets at all.
Busways Blacktown	BusPlus: A 7-day combined bus and rail ticket allowing unlimited travel on Busways and CityRail services between specified points. Around 2% discount on bus fares plus normal discount on rail weekly. Campus Return: Return bus travel on route 750 to specified campuses. Wonderland Return: From Mt Druitt or Rooty Hill stations.
Busways Camden	BusPlus: see above.
Busways Campbelltown	BusPlus: see above.
Busways Gosford	BusPlus: see above. Transfer: The passenger asks for a transfer ticket on the first bus and transfers to the first available bus within 90 minutes from the time the ticket is sold. Discount is around 15%.
Busways Wyong	BusPlus: see above. Transfer: see above
Caringbah Bus Caringbah	Ten Tripper: Gives a 10% discount on adult trips only. Different values depending on distance. One month limit.

CityBusDirect (Harris Park Transport) Dural	Return: The company's web site has detailed charts of fares. In general, a return ticket offers between 2.5% and 4.5 % discount on two single tickets. 5-Day Weekly: Offers between 5.6% and 12.2% discount on single fares. CBD Easy Card: Gives 13% discount on second and subsequent journeys taken on any one day, plus a free Friday return journey if the passenger has travelled with the company all week. Discount is 15% from 26/05/03.
Connex Bangor	MultiTrip: The company web site announces the introduction "soon" of a stored value card. There is no mention of any discount, but presumably there will be.
Dions Bus Service Wollongong	Passenger Card: A stored value card giving a 10% discount of all scheduled service fares.
Forest Coach Lines Terrey Hills	FareSaver: A stored value card giving discounts ranging from 5% to 9% on single fares for adults and concessions.
Glenorie Bus Co Dural	FareSaver: A stored value card giving discounts ranging from 4% to 10% on single fares for adults and concessions.
Harris Park Transport Harris Park	No discounts or special tickets on local fares. (see CityBusDirect for discounts on those services)
Hawkesbury/Busabout Windsor	FareSaver: A stored value card "which saves customers 10% off all their fares".
HillsBus/Glenorie Dural	Return: Provides discounts of around 5% on the single fare for adults and concessions. Day Weekly: Provides discounts of around 20% on the single fare for adults only. The service only runs Mon-Fri.
Hopkinsons Fairfield	No discounts or special tickets at all.
Interline Bus Ingleburn	Datafare Passenger Card: A stored value card saving "more than 10% on the normal bus fares".
Nevilles/Busabout Hoxton Park	FareSaver: A stored value card "which saves customers 10% off all their fares".
Oliveri's Metro-Link Liverpool	No discounts or special tickets at all.
Pearce Mountainlink Valley Heights	Super Ten: Ten trips for the price of eight. Price varies with length of journey. Available for adults and children, but not pensioners. No time limit.

Premier Illawarra Figtree	Day Rover: Unlimited use on all the company's services. Discount is variable depending on use, so needs to be used on three or more trips for savings to be achieved.
Punchbowl Bus Co Riverwood	No discounts or special tickets at all.
Rover Motors Cessnock	Weekly: Substantial discounts on these semi-rural weeklies. Figures below are: kilometres, single fare, weekly fare and discount. Cessnock-Kurri: 14km; $5.50; $38.00; 30% Cessnock-Maitland: 29km; $7.60; $53.20; 31% Cessnock-Newcastle: 55km, $10.60; $63.60; 40%
Shorelink Mt Kuring-gai	Faresaver: A stored value card giving 10% discount on adult and concession fares. Day Travel Pass: Costs $6.20 adult and $3.10 concession. Requires four short distance trips or three middle distance trips to achieve a saving.
Surfside Bus Lines Southport	Operate in NSW in a limited way, but are an anomaly because of their strong tourist base on the Gold Coast. Local commuters might use a 5 or 7 day Ezy Pass. Ezy Pass has 1, 3, 5, 7, 10 and 14 day versions, adult and concession, covering the whole suburban network. Gold Pass is the same as the Ezy Pass but also includes the express routes to the theme parks. Freedom Pass has 3, 5, 7, 10 and 14 day versions for adults, concessions and families, and includes transfers to and from the airport as well as all the other routes.
The Entrance Red Bus Bateau Bay	Transfer: Enables passengers to transfer from one bus to a second bus at less than the cost of two tickets. Returns: For adults and children, discount about 5%. 5-Day Weekly Ticket: Allows travel for five days from date of issue. Discounted by 20%.
Toronto Bus Service Toronto	Weekly: Weekly tickets give a 20% discount.
Westbus North Parramatta	No discounts or special tickets at all.
Westbus M2 Services Castle Hill	Return: Offers about 5% discount on single fares more than $4.00 adult and $2.00 concession. 7-Day Weekly: Unlimited use over seven days. We have difficulty matching the 19 Sections for single fares with the two Zones for weeklies, but the discount seems to range between 5% for shorter distances and 20% for longer. That is based on 10 trips. Discount would be greater if used more often.

Western Sydney Buses Liverpool – Parramatta	T-Way 10. For adults and concessions. Discounts range from 4% to 25%. T-Way Weekly. North Zone, South Zone and Both Zones. Discount for 10 maximum distance trips is about 21%. Rail-Link Weekly (a.k.a. T-way Bus Plus). Slightly less discount than for T-way Weekly on the bus portion, plus the price of a rail weekly.
Westway Bus Georges Hall	Return: Offers 8% discount on adult returns only.

APPENDIX "B"

Submission by Action for Public Transport to IPART Private Bus and Ferry Enquiry

EXISTING PRIVATE BUS FARES FROM JULY 2002

The Department of Transport sets maximum fares for private buses in NSW, but operators are free to charge less than that if they wish. Different maximum fares are set for each of four different areas:
(a) Metropolitan
(b) Urban Fringe
(c) Country Town
(d) Rural

In each of these four areas, maximum fares are set for each of 70 sections, both adult and child, and for each of these 140 fares there is an "authorised fare" in exact cents, and a "rounded fare", rounded to 10 cents. A section is 1.6 km (or one mile).

To add to the complexity, the Metropolitan and Urban Fringe schedules come in two versions, one if the service does not qualify for the Diesel and Alternative Fuels Grants Scheme (DAFGS), and one if it does qualify. The DAFGS provides eligible operators with an 18 cents per litre grant for diesel fuel used, and the maximum fares authorised are slightly less than those for operators who do not qualify. This scheme will be replaced by a similar Energy Grants Credit scheme (EGCS) on 1st July 2003.

The schedule thus lists 1,680 different fares. Some simplification is surely called for, especially in the longer distances.

A small sample of some adult rounded fares is given below. Children's fares are half the adult fare rounded to 10 cents.

Sections	Metrop non-Qual $.cc	Metrop Qualifying $.cc	Urban Fringe non-Qual	Urban Fringe Qualifying	Country Town	Rural
1	1.10	1.10	1.50	1.50	1.50	2.00
2	1.70	1.70	2.30	2.20	2.20	3.00
3	2.40	2.30	2.80	2.80	2.80	3.70
4	2.70	2.70	3.30	3.30	3.30	4.40
5	3.10	3.10	3.80	3.70	3.70	5.00
6	3.40	3.40	4.20	4.10	4.10	5.50
7	3.70	3.70	4.60	4.50	4.50	6.00
8	4.00	3.90	4.90	4.80	4.80	6.50
9	4.30	4.20	5.30	5.20	5.20	6.90
10	4.60	4.50	5.60	5.50	5.50	7.30
12	5.00	5.00	6.20	6.10	6.10	8.10
14	5.50	5.40	6.70	6.60	6.60	8.80
16	5.90	5.80	7.20	7.10	7.10	9.50
18	6.30	6.20	7.70	7.60	7.60	10.10
20	6.70	6.60	8.20	8.00	8.00	10.70
30	8.40	8.30	10.20	10.10	10.10	13.40
50	11.10	10.90	13.60	13.40	13.40	17.90
70	13.40	13.20	16.40	16.10	16.10	21.50

APPENDIX "C"

Submission by Action for Public Transport to IPART Private Bus and Ferry Enquiry

PRIVATE FERRIES – TICKETS AVAILABLE

The following table shows the current fare and ticketing arrangements for the main operators.

Operator	Area	Ordinary Fares	Special Tickets
Cronulla & National Park	Cronulla to Bundeena (daytime only – seven days)	$3.30 adult single $1.60 concession $9.00 family ticket	Weekly $23.00 unlimited trips
Hegarty's	North Sydney (peak hours only – five days)	$4.30 single	(1)
Hegarty's	North Sydney and Darling Harbour (off-peak – seven days)	$4.30 to Circular Quay $4.60 to King St Wharf	
Matilda	• Lane Cove River (peak hours only – five days) • Homebush Bay (peak hours only – seven days) • Darling Harbour (full time)	$4.50 single $7.50 return Same fares for all three routes	Ferry Ten $40.00 Concession $20.00 Can be used on all three routes. Student Term Passes at 20% discount
Palm Beach Ferry Service (2)	Palm Beach to Ettalong (daytime only – seven days)	$15.00 adult return $7.50 child and concessions return	Ferry Ten tickets at 27% discount for adults and children, but no concessions
Palm Beach Ferry Service	Central Coast local service (daytime only – seven days)	$10.00 adult return $5.00 child and concessions return	As above but 30% discount
Palm Beach Ferry Service	Pittwater local service (daytime only – seven days. Extra trips Friday night.)	$9.00 adult return $4.50 child and concessions return	As above but 20% discount

(1) Hegarty's web site has a survey form asking for customers' preferences for weekly, monthly or annual tickets if they were available. Weekly tickets were available some years ago but were withdrawn

(2) For all Palm Beach routes, the main fare is advertised as a return, but single fares are available at half those prices. The Ferry Ten tickets have a one month time limit.