



Submission to IPART

Students' Association, Campbelltown Campus Inc.

Determination of fares for taxis, private buses and private ferries.

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The following, submitted as it is by the Students' Association, Campbelltown Campus Inc. on behalf of the students of UWS Campbelltown Campus, considers only the role and costs of private buses. This is because in general, our members are not in a position to access the expensive services of the local taxi fleets and there is no private ferry service within 30km of this campus. As such, it conforms to the structure outlined in Attachment 1.2 of the IPART issues paper.

- i. the cost of providing the services concerned;

There is a very simple issue with the provision of private services to the western Suburbs, and that is simply that the services are effectively government operated, but without any of the hands-on control available in STA provided services. This in effect means that the Government provides an 80% subsidy to provide services it has little control over- particularly in relation to numbers of services, staffing, and timetabling.

One would think that the State revenue going into the system would justify State control, at least in proportion to the level of subsidy. The State seems to accept that these services would not exist without the Government's subsidy, thus the system is not an independent and self-sufficient transport sector. It is instead a government protected closed market, which then hands over tax dollars to private operators. In short, these private (and therefore, by their nature for-profit) operators are having their profits provided by State dollars.

The fact that there is a subsidy is not an issue, the issue is that there is a subsidy without control and profits going into the hands of operators at the cost of the State. Would it not be simpler (and better economics) to run the system as part of the broader STA network? There are a number of ways in which the system does not coordinate its efforts with other transport providers where it should- multi-

modal tickets, zone based tickets and others, this is to the detriment of consumers- the people whose taxes are paying for the system in the first place.

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

The STA buses in the inner suburbs are characterized by being regular, operating for long hours, having clear and well known routes and as a consequence being very well utilized. There are a wide variety of ticketing products, coordination between buses trains and ferries is easy to achieve because in the end the Government owns all of them and the power to advertise services is exceptional.

Private buses in the outer suburbs are effectively the opposite. Each operator has its own system; there is little parity between them except in that they are irregular and expensive. There is no thought given to coordination between trains and buses- that would be too difficult it seems for the private companies. The solution to this problem is for the Government to develop and implement the system across all public transport- public and private- in NSW. If this is too hard then the other simple and effective solution is simply for the Government to assume operating control of the private services. The public services are good- reliable, cheap, expansive. The private services are none of these things- it seems they exist solely as school buses that do another couple of runs during the day to kill time.

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

Protection of customers from monopoly power is, in this case, not the issue. The issue is that Government subsidies provide monopoly protection through a subsidised monopoly. The result is a system of private profit at public expense. This is unacceptable and urgently requires reform. A government monopoly is one thing- it is accountable to voters. If the public transport system is mismanaged while in government hands then the electorate can respond. If the private transport system is mismanaged then the way the market responds is by driving their cars instead, unless that is not an option, in which case they have no recourse. However, this seems not a great problem for the private bus operators, who can rely on the SSTS in any case. There seems to be little pressure from the Government to ensure quality regular services. So service levels are down, numbers of services low and restricted effectively to peak hour and school hours and coverage is minimal. There is no market-driven requirement to provide good service, nor it seems is there a government requirement.

This needs urgent attention- some code of acceptable service dictating when, to where and how often services should run should be implemented as soon as is practical. Western Sydney needs and deserves better than what they are getting. If the market can't (or won't, as may be the case) provide, then government should.

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

There has been a vogue through the few decades to seemingly define efficiency as doing as only much as is absolutely necessary with as little as possible. Perhaps efficacy of service should be considered with efficiency? Are services being delivered to Western Sydney? Are they of good quality and reasonable cost? The answers to these two questions are clearly yes and no, respectively.

Western Sydney is serviced by expensive bus services with limited hours, long gaps between services and indirect routes. Operators need to achieve more regular services, so this requires either more services full stop or more direct routes so the turnaround is shorter. With direct services the distance travelled will be less, so fares will be cheaper for the same trip as before (assuming the current price-for-distance model is retained). With whatever happens, the goal must be more passengers: because of economies of scale, more passengers per bus means lower fares.

With a regular and economical bus service, the bus service becomes more attractive. With people using the system more than before, it becomes profitable. The potential is there to unlock a large market of passengers who are simply not reached at the moment because the service quality is simply too poor.

- 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;

A genuine commitment to public transport would involve the Government actually offering capital assistance to the operators to expand the range of services available so that they cover more ground for more of the day. The service network needs to be expanded to ensure that access is sufficient to make buses a viable option for people getting from one part of the western suburbs to another. The only way to do this is through expansion of the sector. If this requires further borrowing or government expenditure then so be it. There needs to be a genuine commitment on the part of government and operators to ensure that quality levels rise and the services become viable as a

mainstream mode of transportation. It is not acceptable that the private bus network is the domain of those for whom it is the last option.

- vi. the need to maintain ecologically sustainable development;

A crucial issue with the public transport network is simply that it is an environmental issue. More people catching buses means less people driving cars, less traffic for those who do drive, therefore shorter travelling times and less pollution. One of the things which makes a viable public transport network most challenging is simply the fact that when new residential developments have been approved, little if any thought appears to have been given to public transport. Endless mazes of cul-de-sacs and vast distances from train stations mean that bus transport is both difficult and desirable. In the end, many residents choose simply to drive. The public transport lobby needs to be more involved in urban design and suburban planning to ensure that new suburbs are designed in such a way as to allow residents reasonable access to public transport, but also to gain access to areas that for a number of reasons may not have much in the way of service at this time. The cycle of car usage is something that must be broken and the best way is through real access to public transport.

- vii. the social impact of the recommendations;

The problem with the system is that there seems to be no will to actually begin to provide a decent network of public transport to the western suburbs. This carries with it the consequence that people in western Sydney find it harder to get to and from work (a mother who wants to drop her children off to school and then go to work, returning in time to pick them up might plausibly lose two hours work time compared to if she had driven). Links to social networks become more difficult, isolating people from entertainment and their friends. A lack of adequate buses in western Sydney means that people become isolated from economic, social, sporting and political opportunities. This is a problem not suffered to the same degree as those who live in the inner city where access to public transport is far better. Recommendations that push the transport system further out, in effect taking transport to the people, can offer a marked improvement in quality of life for residents of western Sydney. This is why the Government should not be shy about the concept of offering additional funding to the transport sector to enable such an expansion.

- 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 for Transport); and

Buses should, insofar as it is possible, be on time, in good working order, safe and clean. There is no reason that a person should have to not expect any of these things from their bus services. Sadly, at the moment this is not the case. Buses competing with private transport must be able to offer competitive reliability at competitive cost. This means that they should always be pleasant to use, they should be safe for their passengers and other road users, the buses themselves should be reliable and in good tune (this is an environmental issue as well) and they should offer a wide ranging and regular timetable that can be relied upon by potential passengers. The ability of passengers to rely on a good quality service is the true measure of efficiency in providing public transport.

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

This Association can see no reason for fares to rise. This is not to say that we see no reason for further funding to go into the sector, it is simply that for fares to rise is to ask for the additional funding in the sector to come at least partly from the pockets of passengers, of which some are our members. Additional funding is, without question, required for this sector. Price adjustments are not the way to achieve the funding change. An argument exists to lower fares, to attract more passengers, but to raise them would be to exacerbate the problems of under-utilisation the sector is already suffering from.

A recommendation to move to a zone based system coordinated with the STA and Cityrail would require additional funding, and deliver good outcomes for passengers as well as simplifying operations for the operators. This would allow all public transport providers (government and private) to coordinate their operations to deliver more effective service. The effort and funding required to do this traded off against the increases in service, convenience and simplicity that this could provide would be worth the Government's efforts for western Sydney.