



# Action for Public Transport (N.S.W.) Inc.

P O Box K606  
Haymarket NSW 1240  
30 October 2020

The Secretary  
Independent Pricing and Review Tribunal  
Sydney  
[submitted via IPART website]

## Rural and regional bus fares 2021-2025

### Response to Draft Report

#### Who we are

Action for Public Transport (NSW) ("APTNSW") is a transport advocacy group founded in 1974. We promote the interests of beneficiaries of public transport - passengers and the wider community alike.

#### Key points

We are generally pleased with decisions and recommendations made in the draft report. Our comments on each are appended *in italic font*.

#### 1.5.1 Draft decisions

1. Maximum (adult) fares for regular rural and regional buses be set at the values in Table 3.1

*\*\*\* Good; this should encourage a change to use buses instead of cars particularly for long distances*

2. Maximum (adult) fares for services deemed 'peak' services (where there is excess demand) be set at the values in Table 3.2.

*\*\*\* Given only 1% of passengers pay full adult fare, this differential seems unnecessary, although we note that this is seen as a possible issue in the longer-term rather than immediately.*

3. Maximum fares for on-demand bus services be set at the values in Table 3.1 plus a maximum additional \$5 for a single adult fare (\$2.50 concession), determined as part of contract negotiations with TfNSW.

*\*\*\* We suspect that this premium has discouraged the use of on-demand services at least in some locations and we cannot endorse it. The report asks TfNSW to analyse the reasons some trials succeeded while others did not and we suggest this recommendation be put on hold until more is known about how the potential benefit of on-demand services can be realised.*

4. The maximum fare for a daily ticket incorporating on-demand services be set at the values in Table 3.1 plus a maximum additional \$10 for a daily adult fare (\$5 concession), determined as part of contract

negotiations with TfNSW.

*\*\*\* That could be too high an increase. IPART has asked TfNSW to examine reasons some on-demand trials were successful and others were not. It should not recommend this premium until the analysis is done. Research mentioned in its discussion paper indicated cost could be a barrier to use of on-demand services and experience may have borne this out.*

### 1.5.2 Draft recommendations

1. Transport for NSW undertake work to value the additional social inclusion benefits provided by on-demand services and use this to prioritise locations for new on-demand services via cost-benefit analysis.

*\*\*\* We are very pleased to see the recognition of the benefits of social inclusion in the report. Whether or not cost-benefit analysis is a useful way to approach service planning is however debatable, as it fails to properly recognise many costs and benefits, in addition to social inclusion.*

*On-demand services could prove to be a good way to improve service frequency and hence add to social inclusion, but if it is too costly its appeal will be diminished, as IPART's research has showed.*

2. Transport for NSW expands the availability of concession fares to NSW residents holding a current Commonwealth Health Care Card.

*\*\*\* Good*

3. Transport for NSW simplifies the concession fare application process for rural and regional bus travel.

*\*\*\* Good*

4. Transport for NSW considers implementing additional measures to assist vulnerable people.

*\*\*\* Good*

5. Transport for NSW considers targeted options for making family travel more affordable.

*\*\*\* Good*

6. Transport for NSW consider using a competitive tender process when establishing permanent on-demand services, open to both bus operators and appropriate non-bus operators, in order to facilitate competitive neutrality, innovative service offerings and competitive pricing (and subsidy) offerings

*\*\*\* This could be complicated and could lose sight of passenger interests. We hope this is not allowed to happen.*

7. Transport for NSW consider using a competitive tender process when bus operator contracts are renewed, open to both bus operators and appropriate non-bus operators, given potential benefits in terms of innovation and cost efficiencies.

*\*\*\* This might mean large companies become dominant due to the capital investment required, which may not be a bad outcome if it improves levels of service and integration of services. Again, however, we are concerned that the interests of passengers and potential passengers are not lost sight of in the process.*

8. Transport for NSW consider revising the contract arrangements with bus operators to make them more consistent with those in metro and outer metro areas, with a view to moving to gross cost contracts in the future (with an incentive for increased patronage), rather than net cost contracts.

*\*\*\* This is worth considering if it operates to remove incentives for slow, circuitous routes and low frequencies. We would seek some assurance that this is the likely outcome.*

9. Transport for NSW review contract provisions with bus operators to ensure they promote efficient delivery of services – for example that they reflect services that promote customer benefits (in terms of, eg, route and frequency); and that they encourage operators to provide these services in a cost effective way (eg, in terms of vehicle size, age, etc).

*\*\*\* Good*

10. Transport for NSW enhance its review of operator performance over the course of operator contracts, when contracts are renewed - by developing additional indicators of comparative performance and publishing an annual review of bus operator performance for large and medium operators.

*\*\*\* Good*

11. Transport for NSW provide greater certainty to bus operators regarding coordination of electronic ticketing, customer interface and payment technologies which would provide a more seamless customer experience across the State.

*\*\*\* Good. As we argued in our submission on the earlier discussion paper, contactless payment options do need to be developed for public health reasons as well as passenger convenience.*

Jim Donovan  
Secretary  
Action for Public Transport (NSW) Inc.