

## Who we are

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

## Key points

IPART has issued two issues papers, seeking comment from bus users and bus operators respectively. This submission is focused on the user perspective, but also comments on some of the questions posed in the issues paper for bus operators.

## Issues paper for bus users

*1. Do you know what buses run in your local community, where and when they go, and how much fares are? If not, do you know where to find that information?* <sup>[1]</sup><sub>[SEP]</sub>

We agree with the observation made on p.9 of the Issues Paper for bus users: "in some areas information about local bus services is not easy to find".

APTNSW would like to see information about local bus services fully integrated with the TfNSW trip planner website. This should be the case for on-demand services (number and website for bookings and inquiries) as well as for scheduled services.

*2. If you are a regular bus user, do you think bus travel offers value for money? Why or why not?* <sup>[1]</sup><sub>[SEP]</sub>

A service that runs infrequently and/or on a circuitous route is not a very useful or attractive service. Reducing fares might in a narrow sense improve "value for money", but we would see service improvement as the appropriate action. If reduced farebox revenue would induce reductions in already inadequate service levels, reduced fares would be counterproductive from a customer perspective.

*3. Are you happy with the bus services in your area?* <sup>[1]</sup><sub>[SEP]</sub>

We will be very interested to hear what local communities to say. Our own analysis of a selection of rural and regional bus timetables indicates that in many regional areas there is really only a school bus service (an essential service) with a few add-ons so limited that only those with no alternative use them. Figure 2 on p.6 illustrates this outcome very well. We note also the observation on p.13 of the Operators' Issues Paper that around 94% of current regional and rural bus contracts are either Very Small or Small contracts:

*The Very Small and Small contracts are predominantly dedicated school bus services, while most Medium and Large contracts provide both school services and regular passenger*

*services.*

It is hard to see how such a system would provide adequate means to get to job interviews, or to entry-level jobs, for example. Recent work by Professor John Stanley and Associate Professor Janet Stanley at the Melbourne Sustainable Society Institute (University of Melbourne) indicates that a lack of transport choice in regional areas is a big factor in low rates of preschool attendance, low levels of educational attainment, and low levels of job readiness. A research report prepared for the Productivity Commission indicates that there is deep and persistent disadvantage in many rural and regional communities (<http://www.pc.gov.au/research/supporting/deep-persistent-disadvantage>).

*4. Some bus fares are lower now than they were a few years ago – what have these changes meant for you and how often you use buses?*

We note that there will be data analysis to identify whether or not patronage has increased since changes were made, and we await the results with interest.

Within limits, we see improvements in frequency and duration of trips (directness) as more likely to increase patronage than fare reductions. Price sensitivity certainly does exist, however. The removal of the \$2.60 “station access fee” for passengers using Mascot and Green Square stations reportedly saw patronage jump 70% in a year (“Ticket sales rocket on airport line as prices plunge” SMH June 9, 2011). Even allowing for the underlying increase in patronage (around 20% in the estimation of the Airport Link company) this was a stunning turnaround.

It does appear likely that the current maximum fares set by IPART for longer distance journeys are so high that they would deter potential passengers. Current bus users will not be able to shed any light on the extent to which this is so, because so few pay the maximum fare. The near complete absence of full-fare paying customers, and the fact that most operators do not attempt to charge the maximum fare, suggests a deterrent effect.

*5. Do you use rural and regional bus services to connect with other forms of transport, like coaches or trains? Are there changes to fares, tickets or services that would make this easier?*

SEP

We are pleased to see this question asked and await the results with interest. NSW needs a transport network that integrates different modes, to maximise the opportunity of people to participate in a range of economic and social activity and to access a wide variety of services. The key strength of Train link buses is that they are integrated with train services.

*6. The Government is trialling new services where you can pre-book a bus rather than using a timetable – have you used any of these services? What has been your experience with them?*

SEP

We will wait for results of data analysis on experience with on-demand bus services. We think a weakness to date is the lack of information available on the TfNSW trip planner, and the fact that Opal cards cannot be used.

A service that operates only once or twice a week and/or for a few hours a day is not what

we would regard as an “on-demand” service.

7. How satisfied are you with the payment options available on your local bus service? Would you like different options (eg. electronic payments)? <sup>{L}</sup><sub>{SEP}</sub>

The COVID pandemic has shown that the option of contactless payment is a necessity for the sake of public health.

8. Is there anything else you want us to know? <sup>{L}</sup><sub>{SEP}</sub>

APTNSW broadly supports the strategic plan for transport developed in the Future Transport 2056 suite of documents. The draft Strategy for regional services proposes (p.14) “a network that delivers an ambitious vision for thriving communities and centres across NSW”.

Consequently, APTNSW does not agree with the proposition that the purpose of subsidised regional and rural bus services is (or should be) to ensure people with limited travel options – such as those who can’t drive or can’t afford a car or taxi services – have reasonable access to transport (IPART 2017 determination).

This standpoint contributes to complacency about service frequencies and routes that are well below what is seen as acceptable for the residents of urban areas. We suggest that is inconsistent with the requirement in section 124(3) of the Passenger Transport Act 2014 (the Act) that IPART consider

*the impact of the determination or recommendation on the use of the public passenger transport network and the need to increase the proportion of travel undertaken by sustainable modes such as public transport*

It also imposes much higher transport costs on rural and regional residents, as households are likely to acquire and run multiple vehicles (see ABS household expenditure survey: Summary of results 2015-16).

Public transport users in urban areas are drawn from a much broader cohort – many do own or share ownership of a car. This is also true of rural and regional rail users in satellite cities such as Newcastle, Wollongong and Bathurst, and perhaps others.

It is not unreasonable in APTNSW’s view to aim for a similar pattern in the use of bus services in rural and regional areas. The impact of residential density can easily be overstated, and the influence of service availability and quality understated.

Regional satellite cities and regional towns often have reasonably healthy and compact centres, and considerable co-location of activities. Traffic and parking problems are no longer unknown. Moreover, one or two main roads serving a strong centre can create a pattern of destinations that suits bus travel well.

This means that in considering fares IPART needs to compare the cost of a bus trip with the marginal cost of an additional journey by car.

## Issues paper for operators

1. *What has been your experience of the fare structure introduced in 2017? What are the positives and negatives of the current approach?* <sup>[1]</sup> <sub>[SEP]</sub>

No comment

~~2.~~ *Have cross-border issues been adequately addressed?*

No comment

3. *Have there been any challenges implementing the new fare structure given the current ticketing technology used by bus operators?*

No comment

4. *How have recent events (drought, bushfires and the coronavirus pandemic) impacted rural and regional bus services, and what are the likely future implications? Are there any implications for the setting of maximum bus fares?*

No comment

5. *Do you agree with the criteria proposed to guide the review? Are there other criteria which should be considered?*

IPART proposes the following objectives to guide its approach and decision-making:

- Maximise the benefits of public transport use to the community
- Ensure fares are affordable for people with limited transport options
- Ensure fares are logical, predictable and stable over time
- Facilitate innovation in transport services
- Enable operators to recover the efficient costs of providing rural and regional bus services, and
- Promote the efficient delivery of transport services.

The first of these objectives could encompass the requirement in section 124(3) of the Passenger Transport Act 2014 (the Act) that IPART consider

*the impact of the determination or recommendation on the use of the public passenger transport network and the need to increase the proportion of travel undertaken by*

*sustainable modes such as public transport*

APTNSW would prefer to see this acknowledged explicitly in this objective.

We do not think it particularly important that fares are “stable over time”. We suggest this should be amended to read “equitable” or “fair” to better reflect section 124(3) of the *Passenger Transport Act 2014* and the Minister’s reference.

The objective of supporting innovation should be expanded to include standards of quality, reliability and safety, as set out in section 124(3) of the *Passenger Transport Act 2014*

*6. How should IPART prioritise the different objectives for its review of maximum prices? Do you agree with the main purpose and priorities established in the 2017 review?*

As noted above, APTNSW does not support the conclusion in the 2017 determination that:

*The main purpose of providing taxpayer-subsidised bus services in rural and regional areas is to ensure people with limited travel options – such as those who can’t drive or can’t afford a car or taxi services – have reasonable access to transport...the fares should be set to meet this purpose.*

Clearly fares must continue to be set to ensure affordability for people with limited travel options. However, that does not mean that bus services in regional and rural areas cannot and should not serve a broad range of users. Unless they do, we do not see how they can properly contribute to the government’s Future 2056 delivery of “*a network that delivers an ambitious vision for thriving communities and centres across NSW*”.

*7. How should regulation of rural and regional buses respond to developments in the transport sector, including emerging technologies and innovation in service provision? How can innovation be facilitated?* <sup>SEP</sup>

No comment.

*8. Do you support the suggestions aimed at improving the accessibility of public transport for those groups within society who find public transport unaffordable? For example, extending concession fares to a broader group, such as those who qualify for the healthcare card? What would be the impact on fare revenue and Government <sup>SEP</sup> funding?* <sup>SEP</sup>

APTNSW favours consistency of concession arrangements between urban, regional and rural areas.

*9. What is your experience with the current maximum fares? Would you support further*

*simplification, or additional frequent-use tickets?*

No comment.

*10. What are the technical challenges involved in changing the current fare structure or adopting particular types of fare structures? As an operator, to what extent is your ticketing technology a constraint on fare structures?*

If there are technical challenges standing in the way of contactless payment APTNSW believes they should be removed. If necessary the government should step in to ensure that this is done.

We prefer the extension of the OPAL system across NSW to produce a predictable and seamless payment system.

*11. What has been the experience with the use of single or daily tickets across operators? Has this been successful? What is your view on introducing return tickets that can transfer across operators, or tickets that can transfer between rural and regional buses and metropolitan transport?* <sup>[[[</sup> <sub>SEP]</sub>

APTNSW believes it is important to ensure that transfer penalties be removed, to make life easier for passengers and foster greater patronage.

*12. Do you think there would be any benefit in differentiating fare structures across different operators or in different locations?*

We doubt the wisdom of complicating the system in this manner.

*13. Do you think aspects of the fare structure in rural and regional areas are inequitable compared to Opal fares in metropolitan Sydney, or compared to coach services offered by Trainlink?*

This requires detailed analysis and at this stage we have no comment.

*14. Do you agree with the framework outlined in section 6.1 for procuring new transport services, including on-demand services?* 35 <sup>[[[</sup> <sub>SEP]</sub>

This requires detailed analysis and at this stage we have no comment.

*15. How can different types of on-demand services, for example community transport and other on-demand services, be co-ordinated in the most effective and cost-efficient way?*

Initially, we would like to see information about all services made available on the TfNSW website.

*16. What has been the experience of on-demand services in the trials that have been conducted in rural and regional areas? How have they impacted scheduled bus services and other transport services (such as taxis)?*

No comment.

*17. How should IPART determine a maximum price for on-demand services?*

In our view passengers on an on-demand bus service should not be expected to pay an additional \$5 per trip unless it is point-to-point. We believe that this expense, plus the fact that Opal cards cannot be used, limits the appeal of these services.

*18. What options should be considered for improving on-demand services in rural and regional NSW?*

The current trials should yield some useful information about the most useful routes for the residents of rural and regional NSW, and to some extent, for visitors. We will await the results of these trials before commenting further.