

The Council of the
SHIRE OF BREWARRINA



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OUR REF: JWS
YOUR REF:

Friday, 23 June 2017

Dr Peter J Boxall AO Chair
Review of Rural and Regional bus fares
IPART
P.O Box K35
Haymarket Post Shop NSW 1240

Dear Dr Boxall,

Submission: Review of Rural and Regional bus fares

Council thanks you for the opportunity to make a submission and asks that your review place greater significance on the essential nature of the service being provided to rural and remote communities, rather than any expectations that such services may involve reasonable cost recovery. The population density and the vast distances in rural and remote areas of NSW demand a model that recognises the social and humanitarian nature of providing a transport service, rather than the economic model of cost recovery.

In terms of the review, Council does not believe that the assessment criteria for this review is broad enough to capture the unique nature of the rural and city divide. (Section 1.5)

In particular it is unrealistic to draw comparisons between rural and metropolitan bus fares when the passenger to be transported in a rural district, may have no alternative other than to travel 10 to 12 hours or longer, via three different modes of transport, to reach a destination. Isolated communities need to be connected and Council is concerned that the review is proposing a 'one size fits all' strategy for determining both fares and services, as opposed to recognising the disparaging needs of rural communities.

Council argues that focussing on cost efficiency as the best methodology for providing rural and regional bus services will result in the cancellation of many rural services, due to the lower population density and travel times.

The review should therefore consider the non-financial and social benefits of providing an essential transport link for remote rural communities and the Government should continue to subsidise this cost.

Council is of the view that there must be a different fee structure for rural areas and for services that link to regional centres, as these are services most likely to provide the highest return on social and humanitarian capital.

In terms of mutual recognition of concessions, it is Council's view that State and Federal Governments should cooperate to provide a seamless recognition across State Borders. A concession card holder in one State should not have to face higher fares or a different qualification regime for interstate journeys, or for travel within Australia.

Council also opposes for the push to 'on-demand' services as this will create confusion for residents of rural areas who have limited access to the internet and who have little option but to pay for travel at the time of boarding.

Elaborate metropolitan models for ticketing designed for regular daily commuting are simply not practical for rural travellers. On-demand services requiring a credit card, mobile phone and/or internet access to arrange bookings, would simply compound the difficulties already faced by rural communities in accessing transportation services and undoubtedly lead to a reduction in service availability, by omission rather than need.

In terms of maximising the benefits for customers (section 3.3) Council is at loss to comprehend how the comparison between the average incomes in Sydney and that in rural areas is relevant to determining fare affordability.

The differing lifestyle, cost of housing, distance travelled and available services (Medical, Service, Shopping etc) all factor into the capacity to pay. In many cases there are competing public transport options in metropolitan centres and many transport service providers. In rural communities there is limited public transport and very few alternative service providers.

In terms of establishing maximum fares (Section 4.1) providers should consider the option of free services. That is, where the social and humanitarian benefit from connecting remote rural communities exceeds the value to be recovered. For example, students who have to be transported to schools due to the closure and centralisation of education services, patients seeking medical care having to travel to regional centres because the Government has centralised medical services or those seeking to obtain permits and licenses from Government Agencies.

In such cases the cost of that travel ought to be borne by the taxpayer who has benefited from the savings that were derived from the centralisation of Government services. Also it is important to consider that from a marginal cost basis, a near empty bus is just as costly to run as a full bus and there may be benefits from attracting travellers on certain days.

Finally, it is of concern that the review has dismissed the external benefits of using the bus service (section 4.4) on the basis that *"well-being benefits are not relevant in how we set adult (or full paying) fares."*

Council asks that the review panel reconsider its preliminary view *"that social inclusion benefits are important and should be considered for setting concession policy and in assessing the level of service provision and service coverage in planning rural and regional transport."* (page 19)

It is Council's belief that a holistic approach must be adopted when reviewing the provision of public services such as transport in rural and remote areas and that the suggestion of considering fees in isolation, would not deliver fair or equitable services or pricing structures. All residents of rural and remote communities , whether eligible for concessions or not , have a right to expect that Government will consider their circumstances and access to services when setting prices, timetables and the delivery of what is to many, an essential service. Council appreciates the opportunity to make a submission and asks that your review consider the matters outlined in your committee's deliberations.

Yours Faithfully