

Rick Banyard

IPART

Bus Fare Submission 25 10 2013

I wish to make a submission to complement my earlier submission and participation in the hearing.

A core function of IPART is to ensure that organisations that operate in a monopoly environment does not negatively impact on stakeholders without reasonable reasons. The stakeholders in this instant include the operators, the State, the taxpayers and those that travel on the buses.

My comments relate to the buses that operate under the relevant Hunter Valley contracts. The largest operator of route services is Newcastle Buses.

The Newcastle Buses fleet is about 165 vehicles that operate from a major depot at Hamilton and a small depot at Belmont. Some buses are transferred between Newcastle and depots in Sydney for maintenance and disposal.

The Newcastle fleet is diesel powered with some of the newer vehicles achieving Euro 5 standards via the fuel additive Addblue.

The fleet travels about 12mkm per year or an average of 72,000 kms per year or just under 200km per day.

The fleet carries just over 12 million passengers per year of which 6.9 million are school bus passes and funded by the SSTs. Of the remaining 5.1m passengers about 1.6 million trips do not attract a fare as they are in the Fare Free Zone or on the Free Shuttle bus. This leaves about 3.5 million fare paying passengers.

Passengers per bus equate to about 1 passenger per kilometre travelled or one fare paying passenger for every 3 kms travelled.

The net result is the buses are commonly referred to as "stretch limos."

Clearly the buses in service are grossly oversized and would be like using a B double to move a bar fridge a few streets.

The bus routes take passengers around "the world" with several route durations in the order of 1 hour and 15 minutes with the start and end point 15 to 20 minutes by car. (About the same as a coach from Newcastle CBD to Hornsby.)

Bus patrons are very critical of bus time, not turning up at all and route maps and timetable not containing the correct information.

One would hope that the buses operating in the four major zones used by IPART have a level of operation well above the Newcastle situation. Therefore I do not believe IPART can use the four zones to determine Newcastle fares. Newcastle also has time based fares.

Much of the Newcastle bus fleet is now covered in advertising. This advertising does little to enhance the fleet livery, make the bus look more like a prison truck and reduces the external vision from inside the bus. All factors that drive patronage down. IPART should note that since the last review patronage has dropped by 720,000 passengers when IPART was assured by Transport for NSW that patronage would rise.

The costs of operation are unnecessarily high due to the low utilisation of the bus fleet.

People want the buses but simply cannot use them due to the poor timetables, low frequency and behaviour of certain elements on the bus. Some of Newcastle's bus are poorly maintained and have considerable graffiti.

The answer is to transfer the total fleet to Sydney and replace the 165 stretch limos with 330 12 seater type mini buses and implementing initially a doubled up timetable. Figures show that this is financially viable as extra driver costs are offset by lower vehicle capital and operating costs. The argument that big buses are needed is a fallacy as the mini bus fleet will have a major percentage of empty seats until patronage growth occurs.

I believe IPART should set Newcastle bus fares back to 2007 levels and set Key Performance Indicators that require the operators to either grow patronage or relinquish their contracts.

I would recommend to IPART that the total fare box revenue collected by all operators be retained by the operator (in lieu of the 5 cent bonus). This would encourage operators to seek bus loadings and not just continue to drive about day after day.

I trust this submission is of assistance to the determination process.

Thank you for the opportunity

Rick Banyard