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A division of Nowra Coaches Pty Ltd ABN 47 000 824 902

13 November 2012

Independent Pricing and Regulatory Tribunal of NSW

Attn: Ineke Ogilvy

PO Box Q290, QVB Post Office

Sydney NSW 1230

Dear Ineke,

NOWRA COACHES PTY LTD *t/as Pioneer/Premier Motor Service*

Contract B025 – Route 700 – Bomaderry to Eden.

As discussed yesterday, I would like to put forward a strong objection to the fixing of over 70 section fares. I have given a brief outline of the company history and the location of operation. I have also provided some information on fares travelled and journey lengths.

History:

Pioneer/Premier Motor Service provides a route service (route 700) between Nowra and Eden in NSW under Contract B025 held with Transport for NSW.

Pioneer/Premier Motor Service has operated this section of the coast since 1929 providing a link from the train in Bomaderry to the villages on the South Coast of NSW.

This service is provided in fully equipped coaches including air-conditioning, reclining seats, seatbelts, toilets, luggage space and DDA compliance. This is not a traditional route service bus. This route service is 351 kilometres (220 sections) in length servicing the villages along the Princes Highway and some of the local villages off the highway such as Bermagui and Merimbula. We operate two (2) return services per day.

This service is a booked service allowing passengers to guarantee their travel arrangements. This is especially important to the pensioners in our area who have to attend specialist appointments.

Marketing Department

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This booking service comes at an additional cost to the traditional route service for a local village to town timetabled service.

Fares:

In 1993 a fixed fare table was created for the over 70 section fare rebates for pensioners. The actual fare was de-regulated for these sections.

Based on the adult fare from Nowra to Eden:

2012 fare – The adult fare is \$56.00 / 351 km's = \$0.16

Proposed fare – The adult fare of \$23.80 / 351 km's = \$0.07

Comparison fares:

2012 fare – The adult fare for 70 sections \$23.00 / 112km's = \$0.21

Outlined above, the passenger travelling from Nowra to Eden already has a reduced fare per km compared to the 70 section fare currently published for 2012.

To reduce this fare even more would affect the viability of these services.

The only reason that we can maintain this reduced fare structure is due to the high patronage levels experienced on this route. These services are regularly at capacity which ensures our prices can remain reasonable to the passengers travelling from these communities.

In addition to the above, fares have been amended in the past three to four years that have impacted on the cashflow experienced on this section of the business:

These include:

- 1) Introduction of the \$2.50 fare from Nowra to Eden. Whilst 70% of the rebate is reimbursed on a monthly basis we only reconcile annually for the balance of funds. This was a notable reduction to our daily cashflow.
- 2) The harmonisation of the Rural Fares in the past two years back to the Country Town Fares, decreasing the fares from Nowra to Batemans Bay by approximately 18%. This had a significant impact on our revenue.

In summary, we strongly oppose the fixing of fares for 70+ sections as outlined in the draft proposal for the above reasons.

Please contact me on 0412 13 11 02, johnk@premierms.com.au or simone@premierms.com.au if you have any further questions regarding this matter.

Kind Regards



John King

Director