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INTRODUCTION

The Bus Division of the Rail, Tram and Bus Union represents all of Operation's employees of State Transit involved in the provision of services. This includes Bus Operators, Cleaners, Customer Services Coordinators, some Maintenance staff and Bus Operator Trainers. It is one of the main stake holders in State Transit.

The Union has a view that while State Transit's financial position is not very strong, this is mainly due to changes to the Industry mainly outside the control of State Transit and the RTBU. These changes have caused the cost of operating services to escalate.

The fare structure does not reflect these changes, and as a result State Transit is facing financial difficulties. State Transit's response has been to cut services, which forces people into cars, which aggravate congestion, which causes people to call for better public transport, and so the vicious circle goes continues to go around.

Over the years, State Transit and the Union have implemented many changes to work practices which make our public buses the most efficient in Australia.

State Transit does not receive any more government money per kilometer than private bus operators. However, because of political and public expectations it plays a much bigger role in providing a service to the community, rather than being profit driven. Most people agree that the role of public transport is not to make millionaires out of investors, but to provide a service to the community at a reasonable cost. Even people who do not use public transport see the need to provide it for the community and support money being spent on better buses train and ferries. At least when tax payers see new buses you can see where their money is gone.

State Transit does this very well. Every public transport user in Sydney knows that State Transit's areas receive far superior public transport than any private bus operator elsewhere. Areas covered by private companies would love to see State Transit service their suburbs, particularly west of Sydney and Newcastle. This requires a realistic approach to fares.



Our members, the bus operators, collect more revenue per kilometer and carry more passengers per trip than any other bus operator in Australia.

The following pages deal with each of these issues, and the effect they had on the industry:

TRAFFIC CONGESTION AND RUNNING TIMES

It has been well documented in the media over the last few years that traffic in Sydney has worsened to the point where it comes to a stand still in the peak hours in all the approaches to the City. In fact there are dedicated Radio and TV prime time slots dedicated to bringing motorists the bad news daily.

Traffic in Victoria Road runs at an average of about 5 Kilometers per hour. Traffic in the Sydney Harbour Bridge and the M5 often comes to a complete stand still.

Unlike railway services State Transit must share public roads and highway with the rest of Sydney. State Transit does not operate in a controlled environment, not does it have any control over traffic decisions made by the Roads and Traffic Authority or the local Councils. These traffic decisions tend to be biased towards motorists and cyclists, rather than public transport. In fact these authorities tend to forget that public transport users have rights too.

State Transit has a contractual obligation to provide timetabled services on time. The Department of Transport requires Bus Operators to run services no more than 3 minutes late.

This requirement forces State Transit to revisit their running times to meet these obligations. In most cases this results in increases running times, which require more buses and employees to provide the same level of services.

An extra 5 minutes running time on busy routes with 5 minute frequencies can cost 20 to 30 additional buses to cover the same number of trips. Most high frequency routes are the lucrative City routes, costing State Transit many more buses to provide the same services than was the case a few years ago. This obviously reduces the profit margins of bus routes.

For example in recent times Waverley depot undertook a service review of the 400 route due to consistent late running created by the above factors. An extra 3 buses had to be placed in the running roster just to give trips an extra 3 minutes between Bondi Station and East Gardens Shopping Center.

In recent times Councils have put speed humps, traffic calming devices and speed limits in numerous streets. While the reasons for these measures are probably valid, it has lengthened the trips times the majority of services.

In addition the Law has been changed, so that the speed limit around all schools is now 40 kilometers per hour.



While State Transit has no control over these measures, they have escalated the cost of running bus services throughout State Transit.

Over the years State Transit has eliminated less patronized bus routes in an effort to shift resources to the most profitable areas. State Transit is now at the point where the only non-profitable routes are those which must be provided under their contract, or are too politically sensitive to eliminate, for example services to hospitals or isolated suburbs.

The reality is that there is nothing left to cut or rationalize, and any extra resources needed for either catering for growing areas or adjusting running times must come at the expense of purchasing new buses and creating extra Bus Operators positions.

BUS REPLACEMENT PROGRAM

State Transit is implementing a commendable fleet replacement program; including the acquisition of 300 Mercedes powered buses which began in 1999 at a cost of 120 million. The new Gas Buses are low noise, air-conditioned, low polluting vehicles very attractive to the public and better in terms of health and safety for employees and the traveling public.

This fleet replacement program is well justified, and not an indulgence in the part of State Transit or the New South Wales Government. There is a public expectation that the Government leads the way in terms of quality public transport service.

Of the 1899 buses in State Transit's Fleet, 350 (over 28%) are more than 20 years old. They require much more maintenance to keep in good working order. These buses do not need current exhaust emissions or noise regulations.

They have now traveled for millions of kilometers; they leak in the rain, have rough suspensions and automatic gear boxes. They are cold in winter and very hot in summer. They are difficult to access for the disabled, the elderly and for parents with prams.

Even fit shoppers have problems boarding and alighting from these buses if they have shopping or luggage. They simply do not fulfill today's expectations of what a public transport vehicle should be able to provide.

These buses are also commercial liability to State Transit because:

1. They are unattractive to customers, current and potential. This works against the Government's stated objective of encouraging public transport use.
2. Eliminating these old diesel buses improves the air quality for the whole community. The following statistics are impressive:
 - 1) 80% less reactive carbons
 - 2) 50% less nitrogen oxides
 - 3) 53% less carbon monoxide
 - 4) 20 less carbon dioxide
 - 5) 100% less particulates
 - 6) 50 less noise



This reduction in pollution is important to the whole community, including motorists circulating next to buses and pedestrians, especially with a fleet of 1800 buses. Gas buses run on Natural Compress Gas, which is cheaper than diesel and makes State Transit more efficient.

The noise pollution savings are also important where buses operate in residential areas late at night and early in the morning. Gas buses are very quiet.

Reliability is most important with all buses. Every week close to 400 buses have to be replaced while in route, mostly because of break downs. These involve inconvenience to the traveling public and often other motorists as broken down buses can and do block traffic.

There is considerable cost involved in retrieving and repairing buses, as well as the damage these situations give to the image of public transport.

It is hard to sell public transport to potential users unless the system is modern and attractive. Air-conditioning has been a big winner with passengers current and new.

All new buses have Low Floor design and wheel chair access. This reduces injuries for passengers and drivers falling inside buses, and makes State Transit more accessible for the disabled.

In fact State Transit has spend a considerable amount of money in making its services accessible to the disabled, while its competitors appear to not have been require to make the same progress. This has been a financial burden to State Transit.

State Transit today is only just under its contract requirement to keep the average age of the fleet at 12 years. In Newcastle the average age of the fleet is actually 14.9 years, though the delivery of 30 new buses will see this reduced to acceptable levels.

State Transit is budgeting to buy about 100 new buses per year, this being the most it can afford from its slender resources. This spending will only keep the average age of the fleet at just under 12 years, and will not provide the capacity to grow patronage.

This bus replacement program is not only a necessity to comply with legal requirements, it is in fact highly desirable because of the benefits for the whole community, including better air quality, better noise pollution control, reduced breakdowns, reduced injuries and public liability, and better access to public transport for groups such as the disabled and families with small children who have so far found public transport very unfriendly.

If anything this program should be accelerated to provide these benefits to the community and to all public transport users. There are areas in the operating area of State Transit which need extra services due to patronage increases, but no buses can be found to do so.



SCHOOL SERVICES

State Transit provides School Services for many thousands of children every day. Under the current system all eligible students are issued with a magnetic school pass which is validated every time they travel on a bus.

School subsidies are paid on the basis of these validations. However these validations do not reflect the true number of school children who travel in buses, both School Specials and regular routes because:

1. It is nearly impossible to ensure that all children validate their passes due to the large number conveyed in a very short period of time.
2. State Transit's policy of allowing school children to travel on buses whether they have a school pass or money or not ensures that kids are able to get home safely. However it costs State Transit thousands in lost revenue as school children are well aware that if they say they have no money or school pass drivers must allow them free travel. If this sensible policy is to be supported, allowances should be made for State Transit's cost. Private Operators do not allow travel on buses unless children have a pass or pay their fare.

FARE EVASION

The current fare system is largely based on faith. Bus routes are broken up into sections. Passengers purchase tickets for the number of sections that cover their trips. These tickets can be cash from the drivers, or weeklies and Metro Ten 10 from outside agents. Agents simply sell tickets on request, and are not able to ensure that passengers buy the correct ticket for the journey. Drivers cannot make sure that all passengers are traveling only as far as they have paid for due to the huge number of passengers boarding buses, and the fact that many passengers dip a pre-paid ticket while they sell fares to other passengers.

There is little to prevent passengers from overriding past the point for which their ticket is valid. Bus operators estimate that about 30% of passengers override. Revenue protection has a very poor profile in State Transit, so as more passengers get away with it more are keen to try. Even if a passenger is fined once a year it is much cheaper than buying the correct fare.

Many weekly tickets are shared by passengers using buses at different times of the day or days of the week. It is nearly impossible to identify who owns a particular ticket. As these tickets offer unlimited travel for their designated areas, a group of people or family can find that just one ticket brought between them meets the needs of all of them.

State Transit has a policy of free rides for children without a School Pass or money. This policy includes all School children including Year 11 and 12 students.

Most students these days are well aware of it and take full advantage. All they have to do is tell the drivers they have no money, and the driver has got to let them travel. While most people support this to protect children, the cost must be realistically assessed and budgeted. It should be noted that State Transit carries many, many thousands of School children everyday and the amount of money lost daily is considerable. It is estimated by Bus Operators that at least 30% of School children travel without a valid Bus Pass or paying a fare. They have no power to prevent



this.

It is estimated by our Customer Service Coordinators who do revenue protection that State Transit loses about 25% of the revenue it should be collecting to fare evasion.

PENSIONER'S \$1.10 TICKET

State Transit offers pensioners a \$ 1.10 concession ticket which allows traveling for the days in all public buses, trains and ferries operated by the State Government. This ticket has not gone up for around 10 years.

The Union supports subsidized fares for pensioners and other disadvantaged groups, but since they make almost half our passengers it is time to get real. A small proportion of pensioners living in the most affluent areas of Australia have the lion share of subsidized public transport while the large majority living in the West of Sydney have inferior, dearer services.

Those passengers pay half fare every trip, with far less and lower quality services. This scheme should be introduced to private bus operators as well, especially since we are supposed to be operating under in a level playing field with private bus companies.

The scheme currently applies only to areas serviced by State Transit buses. These are mostly the most affluent areas in Sydney. A passenger can buy a Pensioner ticket in areas such as Rose Bay and Vaucluse, but not in Liverpool or Blacktown services by private bus operators.

Perhaps it is time that the Pensioner Ticket went up to a realistic amount, and the scheme extended to all of Sydney and Newcastle. **This is not a political question; it is a question of social justice which cannot be ignored any longer.** Public transport should be more accessible and cheaper for the less well off and the needy rather than the opposite, which is currently the case.

Many pensioners have expressed to this Union the view that if the Government does not put up Pensioner and other fares up to reasonable levels, further services cuts will occur as has been the case recently with the "Better Bus" program.

Since 80% of \$ 1.10 tickets are sold in the richest suburbs in Australia, they should go up to \$2 and the concession extended to all of Sydney and Newcastle. The Union believes that this would be acceptable to 90% of pensioners who are themselves critical of the system for the reasons discussed above and because they do not feel that they are not putting their fair share back into the system.

CONCLUSION

State Transit delivers the taxpayer the most efficient best bus services in Australia, if not the world. However by world standards fares are very low, and do not reflect the true cost of running a high quality bus service. A yearly ticket is cheaper than registering a car in Sydney. When the cost of running a car is added our fares are a giveaway.

The issue of fare evasion must be addressed, to ensure that State Transit collects all the revenue they are entitled to for the services they provide.

The Pensioner \$1.10 ticket should go up to \$ 2 to help the Government and State Transit recoup its cost, and to extend this scheme to all areas of Sydney and Newcastle. \$2 is still less than the price of a coffee in the City.

Australia and New Zealand are the only countries in the world where urban public transport is expected to make a profit. This is not realistic with the current price of fares.



Even in North America, home of economic rationalism urban buses are only expected to rise 30 % of the running cost in the cash-box. State Transit is expected to raise 100% plus with much lower fares than is the case overseas.

Our members collect more revenue per kilometer than any other in Australia. They also face the worst traffic conditions in the country. State Transit has chronic staff shortages, and a very high turnover of bus operators. State Transit needs to be in a financial position to retain bus operators by reasonable and regular pay rises. A realistic fare structure is needed to support this outcome.

The increased traffic congestion in Sydney is escalating the cost of running services all the time. Profitable areas with the potential to grow are being held back by a lack of resources which are tied up to the running times.

The only way State Transit's services can become more efficient is by reducing running times through the implementation of a proper plan to give buses priority in the form of:

1. Bus lanes which are isolated from all other traffic.
2. Proper priority at the traffic lights and intersections.
3. Passing on to motorists the true cost to the community of traffic congestion.

It is not cheaper fares which encourage public transport use; it is convenience and the length of trips. If the above issues are resolved and motorists see clean and comfortable new buses traveling faster than they are on prioritized bus lanes they will consider catching a bus, even if the fares higher than what they are now.

The Union is concerned that if the government does not allow State Transit to charge reasonable and realistic fares for the services it provides State Transit will be forced to continue to cut services through programs such as "Better Buses" which are smoke screens for services cuts.

Many residents in the Eastern suburbs would have rather had a fare increase than the cuts their services have suffered.

This view is supported by many community groups, some of which have regular contact with this Union.

These groups would rather see a reasonable increase in fares that would protect and expand services, than unrealistic low fares which place their services in danger. This is also the Union's view.

Yours faithfully

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