



Review of Non-metropolitan fares for private buses in NSW

From 2 January 2007

Report to the NSW Minister for Transport

Transport - Report
December 2006



Independent Pricing and Regulatory Tribunal

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Mr James Cox, CEO and Full Time Member
Ms Sibylle Krieger, Part Time Member**

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1 INTRODUCTION AND OVERVIEW

The Independent Pricing and Regulatory Tribunal of New South Wales (the Tribunal) has conducted its 2006 review of private bus services operating outside the Sydney metropolitan area. Based on this review, it has recommended the percentage by which maximum fares for services provided under commercial contracts should be increased. It has also recommended the amount by which revenue payments to operators providing services under non-commercial contracts should be increased.

1.1 Overview of recommendations

The Tribunal recommends that:

- Maximum fares for non-metropolitan private bus services provided under existing commercial contracts be permitted to rise by 5.0 per cent.
- Revenue payments related to non-metropolitan private bus services provided under non-commercial contracts be increased to between \$59,170 and \$100,803 (or 5.37 per cent and 6.58 per cent), depending on the bus category involved.

In formulating its recommendation on fares for services provided under commercial contracts, the Tribunal reviewed the increase in private bus operators' costs for 2005/06, as measured by the Bus Industry Cost Index (BICI). The Tribunal also adjusted the increase in the 'people costs' item in this index by 0.5 per cent to account for productivity growth during this period. It then recommended a maximum fare increase equivalent to the increase in private bus operators' productivity-adjusted costs over 2005/06.

To calculate the recommended revenue payments for operators on non-commercial contracts, the Tribunal reviewed the revenue these operators require to recover their costs as measured by the 2006 version of the PricewaterhouseCoopers model. It then recommended increases in revenue payments for each of the four bus categories in line with the revenue requirements generated by this model.

1.2 Structure of report

This report explains the Tribunal's review and recommendations in more detail:

- Chapter 2 outlines the Tribunal's review process
- Chapter 3 discusses the Tribunal's considerations and recommendations in relation to maximum fares for services provided under commercial contracts
- Chapter 4 focuses on the Tribunal's considerations and recommendations in relation to revenue payments for services provided under non-commercial contracts
- Chapter 5 outlines the implications of the Tribunal's recommendations for bus operators, their passengers, the environment and government funding.

2 THE TRIBUNAL'S REVIEW AND DECISION MAKING PROCESS

The Tribunal made its recommendations under Section 9(1)b of the *Independent Pricing and Regulatory Tribunal Act 1992*, in line with its terms of reference (see Appendix 1). Its review process and the matters it considered in formulating its recommendations are outlined below.

2.1 Review process

As part of its review process, the Tribunal undertook public consultation and conducted its own research and analysis. In particular, it:

- invited the Ministry of Transport, the Bus and Coach Association (BCA), and other interested parties to make submissions to its review, and received four written responses (see Appendix 2 for a list of submissions)
- collected detailed financial information from the BCA
- independently verified the cost changes, and
- held a public hearing on 20 October 2006 and invited some of the parties who made submissions to discuss relevant issues (see Appendix 2 for a list of participants).

The Tribunal then considered the submissions it received and the comments made at the public hearing, and analysed the information it obtained from the BCA.

2.2 Matters considered

In making its recommendations, the Tribunal explicitly considered all the matters outlined in its terms of reference. These matters relate to:

- consumer protection—protecting consumers from abuses of monopoly power; standards of quality, reliability and safety of the services concerned; social impact of decisions
- economic efficiency—greater efficiency in the supply of services; the cost of providing the services concerned; relativities with the Government owned bus services, including in terms of service, efficiency, cost and ticketing products
- financial viability—the impact of pricing policies on borrowing and capital requirements and, in particular, the impact of any need to renew or increase relevant assets; the effect of any pricing recommendation on the level of Government funding provided to private operators under commercial and non-commercial contracts, and
- environmental protection—promotion of ecologically sustainable development via appropriate pricing policies.

3 CONSIDERATIONS ON FARES FOR SERVICES PROVIDED UNDER COMMERCIAL CONTRACTS

In formulating its recommendation on the maximum fares for services provided by non-metropolitan private bus operators under commercial contracts, the Tribunal considered the change in these operators' costs over 2005/06. To calculate the extent of this change, the Tribunal determined the percentage change in operators' input costs since 2004/05 using the BICI. It then adjusted this percentage to allow for productivity gains in the labour component of this index, based on a conservative estimate of these productivity gains.

The Tribunal was not able to consider the standards of quality, reliability and safety of the services provided by these operators, or whether these standards had improved in the last year, as no data on service standards were provided to it. The Tribunal expects that data will be available for future reviews, once the extensive bus reform process the Ministry of Transport is currently undertaking is extended to non-metropolitan areas.

The Tribunal's considerations on the change in input costs and the productivity adjustment, and its recommended increase in maximum fares, are outlined below.

3.1 Change in operators' input costs

Both the Ministry of Transport and the BCA submitted that the maximum fares for services provided by non-metropolitan private bus operators under commercial contracts should increase in line with the change in the BICI over 2005/06. In essence, the BICI measures the average change in the cost of a basket of inputs considered to be representative of the costs of private bus operators in NSW (see Box 3.1 for a more detailed description). The BCA maintains this index on behalf of private bus operators, and submits it to the Tribunal each year.

The Tribunal considered the BICI data supplied by the BCA. It reviewed¹ each cost item to determine whether it is:

- consistent with the item description used in the previous year
- representative of the class of costs for which the item was selected, and
- verifiable as to the size of the change.

Box 3.1 The Bus Industry Cost Index

The Bus Industry Cost Index (BICI) is intended to measure the average change in the price of a basket of cost inputs considered to be representative of the costs of private bus operators in NSW.

The price of each cost input is expressed as a unit cost – for example, the cost of a bus, a driver, a \$1,000 worth of insurance cover, a litre of diesel fuel, a major service of a bus and a bus tyre.

These unit costs are weighted, using weights derived from a survey of private bus industry costs undertaken for the BCA and the (then) Department of Transport in 1999.

¹ As its starting point, the Tribunal examined the written quotes and other evidence supplied by the BCA (drawn from relevant industry sources and other data). Where necessary, it made its own enquiries.

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The Tribunal also adjusted the starting weights of each cost item to reflect the pre-productivity adjusted end weights from last year. This enabled it to isolate the actual cost change between items in the BICI.

The BICI indicates that operators' costs rose by 5.25 per cent in 2005/06 (Table 3.1). The Tribunal notes that the biggest increase in costs occurred in fuel, reflecting the rise in the world price of oil. There was also a rise in labour costs, reflecting an increase in Award wages payable to private bus drivers.

Table 3.1 Increase in private bus operators' input costs as measured by the BICI

	Weights 01-Jul-2005	Base cost 01-Jul-2005 \$	Cost 30-Jun-2006 \$	% Change	Contribution to index
Bus Capital Costs					
Mercedes 0405NH/0500 Chassis		202,934	207,334		
Custom Coach Body		245,850	251,900		
Lease Interest (10 Year Bond Rate)		5.42%	5.39%		
Monthly Lease Payment	16.75	8,556.24	8,748.00	2.24	0.38
People Cost					
Award rate of Pay (inc D/C)	40.71	693.87	721.64	4.00	1.63
Occupational Superannuation	3.61	62.45	64.95	4.00	0.14
Pay Roll Tax - Wages	2.22	45.38	47.20	4.00	0.09
Workers Comp	2.36	40.31	43.70	8.40	0.20
Total	48.90				2.06
Bus Insurance & Rego					
Green Slips	1.89	2,642.50	2,583.00	-2.25	-0.04
Comprehensive Insurance (per \$1000)	1.35	14.94	15.25	2.04	0.03
Registrations	0.65	918.00	958.00	4.36	0.03
Total	3.89				0.01
Bus Lubricants					
Distillate	11.13	1.0930	1.2999	18.93	2.11
Total	11.13				2.11
Bus Repairs and Maintenance					
Mercedes Major Service	4.72	1,426.86	1,510.63	5.87	0.28
Tyre List Price	1.03	718.30	709.50	-1.23	-0.01
Total	5.75				0.26
All other costs - CPI	13.57	145.50	149.98	3.15	0.43
Total Costs	100				5.25

Note: totals may not add due to rounding.

Sources: BCA and IPART calculations.

For some years, the Tribunal has expressed concerns with the validity of the BICI as a measure of private bus operators costs. It intends to review this index before the next fare review. This matter is discussed in more detail in Chapter 6.

3.2 Productivity adjustment

As the Tribunal noted in its 2005 review, it believes its recommended fares for private bus operators should reflect the fact that productivity (defined as output per hour worked) has been rising in the Australian economy for as long as relevant data have been collected. For example, economy-wide labour productivity (measured by the rise in the volume of gross value added relative to total hours worked) has risen at an annualised average pace of 1.6 per cent over the past five years.²

The Tribunal notes that some economy-wide productivity gains would already be reflected in the increases in the non-labour cost items in the BICI. However, changes in labour award rates clearly overstate the change in labour costs *per unit of output*. This is because they do not reflect the effect that more output per hour worked would have on labour costs per unit of output. For this reason, the Tribunal believes the average increase in the 'people costs' item in the BICI needs to be adjusted to take into account the scope for labour productivity gains.

Given that no data on productivity or productivity gains in the private bus industry have been provided to the Tribunal, it has estimated the likely productivity gains to determine the appropriate adjustment. As a first estimate, the Tribunal considered the economy-wide labour productivity (measured by the rise in the volume of gross value added relative to total hours worked). As noted above, this has risen at an annualised average pace of about 1.6 per cent over the past five years.

However, the Tribunal also considers that there may be less scope for productivity growth in the bus industry than in the economy as a whole. Therefore, it conservatively estimated the industry's labour productivity gain for 2005/06 at 0.5 per cent. The Tribunal then applied this estimate to the labour component of operator costs. This resulted in a lower rise in labour cost *per unit of output*, and reduced the weighted average increase in costs from 5.25 to 5.0 per cent (Table 3.2). The Tribunal has applied a 0.5 per cent labour productivity adjustment to the 'People Cost' items in Table 3.1 to derive Table 3.2 - the BICI adjusted for labour productivity. The affected items are shown in bold italics in Table 3.2.

² The 1.6 per cent is the annualised 5-year average increase in GDP per hour worked from 2001/02 to 2005/06. Source: ABS *Australian National Accounts National Income, Expenditure and Product*, Catalogue No. 5206.0 June Quarter 2006, Table 3.

Table 3.2 Increase in private bus operators' costs measured by the BICI adjusted for productivity gains

	Weights 01-Jul-2005	Base cost 01-Jul-2005 \$	Cost 30-Jun-2006 \$	% Change	Contribution to index
Bus Capital Costs					
Mercedes 0405NH/0500 Chassis		202,934	207,334		
Custom Coach Body		245,850	251,900		
Lease Interest (10 Year Bond Rate)		5.42%	5.39%		
Monthly Lease Payment	16.75	8,556.24	8,748.00	2.24	0.38
People Cost					
Award rate of Pay (inc D/C)	40.71	693.87	721.64	3.48	1.42
Occupational Superannuation	3.61	62.45	64.95	3.48	0.13
Pay Roll Tax - Wages	2.22	45.38	47.20	3.48	0.08
Workers Comp	2.36	40.31	43.70	7.86	0.19
Total	48.90				1.81
Bus Insurance & Rego					
Green Slips	1.89	2,642.50	2,583.00	-2.25	-0.04
Comprehensive Insurance (per \$1000)	1.35	14.94	15.25	2.04	0.03
Registrations	0.65	918.00	958.00	4.36	0.03
Total	3.89				0.01
Bus Lubricants					
Distillate	11.13	1.0930	1.2999	18.93	2.11
Total	11.13				2.11
Bus Repairs and Maintenance					
Mercedes Major Service	4.72	1,426.86	1,510.63	5.87	0.28
Tyre List Price	1.03	718.30	709.50	-1.23	-0.01
Total	5.75				0.26
All other costs – CPI	13.57	145.50	149.98	3.15	0.43
Total Costs	100				5.00

Note: totals may not add due to rounding.

The Ministry of Transport and the BCA have expressed some concern about the appropriateness of a productivity adjustment for commercial private bus operators. However, in the Tribunal's view, not applying a productivity adjustment would imply that the Tribunal assumed there was no productivity growth during the year. Although it considers the scope for productivity gains in the private bus industry to be less than in the economy as a whole, the Tribunal nevertheless considers that it is more reasonable to assume that some productivity gains have occurred and an adjustment is therefore warranted.

3.3 Tribunal's recommendation on maximum fares

Recommendation 1

That maximum fares for all non-metropolitan private bus services provided under existing commercial contracts be permitted to rise by 5.0 per cent, in line with the average increase in private bus operators' productivity-adjusted costs.

4 CONSIDERATIONS ON REVENUE PAYMENTS UNDER NON-COMMERCIAL CONTRACTS

Revenue payments for non-metropolitan private bus operators on non-commercial contracts are based on the revenue they require to recover the costs of running particular categories of bus, with an allowed return on investment. From the mid-1990s, this revenue requirement has been calculated using a model developed by, PricewaterhouseCoopers, on behalf of the Ministry of Transport and the BCA (known as the PwC model) (see Box 4.1).³

Box 4.1 The PricewaterhouseCoopers model

The PricewaterhouseCoopers (PwC) model is used to calculate the 'required revenue' to operate a particular category of bus per year. The model includes parameters for the distance travelled, the category of bus employed, and eligibility (or not) for the Diesel and Alternate Fuel Grant Scheme (DAFGS). It also includes:

- an age compliance requirement
- various bus/driver/fuel/other input costs
- capitalised bus costs (in the form of a depreciation item and a spare bus allowance), and
- a rate of return on the operator's investment.

Many of the input costs are derived from the same sources as those used in the BICI.

The BCA provided 2005/06 data for the PwC model. It also proposed a change in the fuel component of the model, to reflect higher consumption of fuel and increased fuel costs. This change was intended to replace the existing 'interim arrangement' that operators had with the Ministry of Transport to assist them with rising fuel costs.

However, the Tribunal did not support the change. For some years, it has considered that the PwC model is flawed, and intends to review the model (along with the BICI) prior to next year's fare review (see Chapter 6). Therefore, rather than making changes to the model this year, it considers that any additional fuel payments to operators should be left to the discretion of the Ministry of Transport. It notes that the Ministry supports this approach.

The sections below provide an overview of the Tribunal's assessment of the 2006 PwC model and set out its recommendation in relation to revenue payments.

4.1 Tribunal's assessment

The Tribunal examined each of the cost and rate of return items for the 2006 PwC model, and accepted that they were reasonable. The resulting revenue requirements are shown in Table 4.1. The percentage change in the revenue requirement for each category of bus is shown in Table 4.2.

The Tribunal notes that the form of regulation for non-metropolitan private bus operators under commercial contracts uses a unit-based cost index to measure changes in costs. The Tribunal applies a productivity adjustment to the labour items of the BICI so that productivity gains can be shared between operators and consumers. The regulation for non-metropolitan private bus operators on non-commercial contracts is different because a

³ Known originally as the PWU model.

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cost index is not used, rather a required revenue model is used. Therefore, a productivity adjustment has not been applied to these operators.

Table 4.1 Revenue requirements based on Tribunal adjusted PwC model 2006

Items in Non-Commercial model	Cat. 1 \$	Cat. 2 \$	Cat. 3 \$	Cat. 4 \$
Costs				
Bus-related costs	14552	16312	18943	20510
Driver-related costs per hour(a)	20669	20669	20669	20669
Driver-related costs per day(b)	2331	2331	2331	2331
Fuel-related costs	3610	3332	4848	5518
Other distance-related costs	4082	4215	6700	8008
	45244	46859	53491	57036
Depreciation				
Depreciation	2835	5286	6354	8895
Depreciation (spare bus allowance)	284	529	635	889
Required Return				
Return on Investment	4935	9555	17366	22562
Return on Investment spares	494	956	1737	2256
Net Revenue Required Per Bus				
GST	5379	6318	7958	9164
Total Revenue Required Per Bus	59170	69503	87542	100803

Notes: Totals may not add due to rounding.

This table refers to contract (age) complying, DAFGS eligible buses.

Table 4.2 Revenue requirements and percentage change

Year	2005	2006	Percentage Changes (%)
			<i>As determined by PwC model</i> <i>From 2005 to 2006</i>
Category 1	\$56,154	\$59,170	5.37
Category 2	\$65,821	\$69,503	5.59
Category 3	\$82,137	\$87,542	6.58
Category 4	\$95,208	\$100,803	5.88

a) This is the yearly cost for an individual to drive a bus. It includes the wage rate, superannuation, workers compensation and other loadings. The hourly rate is multiplied by the hours of work per day and the number of working days.

b) This is the yearly cost for drivers to check or sell tickets. A daily rate is multiplied by the number of working days.

Note: This table refers to contract (age) complying, DAFGS eligible buses.

The Tribunal considers that the Ministry of Transport should adopt the absolute dollar revenue requirements for each category of bus generated by the PwC model for 2006, shown in Table 4.2.

4.2 Tribunal's recommendation on revenue required

Recommendation 2

That revenue payments related to non-metropolitan private bus services provided under non-commercial contracts be increased to the amounts shown on Table 4.2 above.

5 IMPLICATIONS FOR BUS OPERATORS, THEIR PASSENGERS, THE ENVIRONMENT AND GOVERNMENT FUNDING

In making its recommendations, the Tribunal considered the implications of these recommendations for private bus operators, their passengers, the environment and government funding. Its considerations are summarised below.

5.1 Implications for private bus operators

The recommended 5.0 per cent increase in maximum fares for private bus operators on commercial contracts is likely to maintain these operators' current level of financial viability.

The recommended 5.37 to 6.58 per cent increase in revenue payments to non-commercial operators should at least maintain these operators' existing levels of financial viability.

5.2 Implications for passengers

The Tribunal has no information on the income levels of the passengers who use non-metropolitan private buses or the affordability of the services these buses provide. However, as the fare increase is in line with pricing decisions from previous reviews, the Tribunal does not believe the increase will have a significant adverse impact on customers.

5.3 Environment

As an alternative to private motor vehicles, the benefits of public transport include reduced congestion and pollution. However, most of the evidence available to the Tribunal suggests that price has only a small influence on people's decision to use public transport. Other issues, such as service quality, timeliness, frequency, convenience and accessibility, are likely to be more important determinants of public transport demand.⁴ The Tribunal considers it unlikely that the price increases it has recommended will cause any significant switching in transport modes.

5.4 Government funding

Government (or taxpayer) funding for private bus operators relate to:

- the School Student Transport Scheme (SSTS), and
- top-ups for half-fare concessions to pensioners, retired senior citizens, and the unemployed.

The payment made by Government under commercial contracts in 2005/06 was \$195.7 million. Note that this figure is less than last year because it no longer includes private operators in Sydney that once relied on the BICI for fare increases. The Sydney operators have now moved onto new contracts under the MoT bus reform process. The increase in fares of 5.0 per cent implies that Government funding would rise by

⁴ See, for example, commentary in Centre for International Economics, *Subsidies and the social costs and benefits of public transport*, March 2001, pp 38 & 43; available at www.ipart.nsw.gov.au.

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approximately \$10 million in a full year. However, as the Government moves more operators onto new contracts in the future this figure may be reduced.

The payment made by Government under non-commercial contracts in 2005/06 was \$133.1 million. The increase in revenue required under these contracts of between 5.37 and 6.58 per cent implies that Government funding would rise by approximately \$8 million in a full year.

6 THE WAY FORWARD

For some years now, the Tribunal has expressed concern about the BICI and PwC model. However, it has continued to use these measures of cost increase because of legal contracts which required that these models be used to adjust fares, and the lack of a better option. Essentially, the Tribunal has been using the information it is provided to make the best decision it can until the Ministry of Transport completes its bus reform process.

The Tribunal understands that during the course of its 2006 review, the Ministry of Transport has been in negotiation with private bus operators in the Sydney metropolitan area and Newcastle to establish new contracts with these operators. It is expected that the Ministry will next focus its attention on rural and regional operators.

While these operators are negotiating with the Ministry to update their contracts there will be opportunity to review the BICI and PwC model, and to either update or replace both models with a measure that more accurately reflects operators' costs. The Tribunal intends to review the form of regulation for private non-metropolitan buses, and the BICI and PwC model, prior to the next review.

Some of the key concerns with the BICI and the PwC model that the Tribunal intends to address as part of this review include that:

- The data for both models are high level, and the Tribunal has no indication of whether they represent operators' efficient costs.
- The BICI was originally designed to represent the cost structure of some metropolitan bus operators as well as rural and regional bus operators. Therefore, it contains information relevant to both sets of operators. However, now that all metropolitan buses are on new contracts with the Ministry of Transport, the BICI should relate only to the regional and rural operators.
- The models apply to a diverse range of rural and regional operators, and many of these operators claim that it misrepresents their cost structure.
- The relative weightings of the items within the BICI need to be reassessed given that they were set in 1999.

The Tribunal intends to start the review process early in 2007, and will aim to conclude prior to the next fare review. In addition, the Tribunal notes that its 5-year standing reference with the Ministry of Transport under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1990* is due to expire at the end of the 2007/08 financial year. Therefore, changes will need to be made before the 2008 review.

APPENDIX 1 TERMS OF REFERENCE

"I, Bob Carr, Premier, approve, under Section 9(1)(b) of *the Independent Pricing and Regulatory Tribunal Act 1992*, the Tribunal entering into an arrangement with the Minister for Transport to investigate and report on the following matters related to the private bus industry:

1. fares for regular services regulated under the *Passenger Transport Act 1990*
2. level of remuneration received from the Government for commercial and non-commercial school services.

A final report is to be provided to the Minister for Transport by June each year.

In conducting this investigation, the Tribunal should consider:

- i. the cost of providing the services concerned;
- ii. relativities with the Government owned bus services, including in terms of service, efficiency, cost and ticketing products;
- iii. the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standards of service;
- iv. the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers;
- v. the impact of pricing policies on borrowing and capital requirements and, in particular, the impact of any need to renew or increase relevant assets;
- vi. the need to maintain ecologically sustainable development;
- vii. the social impact of the recommendations;
- viii. standards of quality, reliability and safety of the services concerned (whether those standards are specified by legislation, agreement or otherwise and any suggested or actual changes to those standards as notified to the Tribunal by the Minister for Transport); and
- ix. the effect of any pricing recommendation on the level of Government funding provided to private operators under commercial and non-commercial contracts.

In conducting the investigation the Tribunal will invite submissions from the Bus and Coach Association, the relevant unions and other stakeholder groups, including the general community."

The table below indicates where each of the terms of reference have been addressed in the report.

Table A1.1 Consideration of the terms of reference

Terms of Reference	Report reference
i. cost of providing the service	Sections 3.1, 3.2 and 4.1
ii. relativities with Government-owned buses	N/A
iii. protection of consumers from abuse of monopoly power	Section 5.2
iv. need for greater efficiency in supply of services	Section 3.2
v. impact of pricing on borrowing and capital requirements	N/A
vi. ecologically sustainable development	Section 5.3
vii. social impact of recommendations	Section 5.2
viii. standards of quality, reliability and safety	Section 3
ix. effect on level of Government funding	Section 5.4

N/A = not applicable to this review.

APPENDIX 2 LIST OF SUBMISSIONS AND HEARING PARTICIPANTS

The Tribunal received submissions from the following organisations and individuals:

Organisations

Action for Public Transport
Bus and Coach Association
Council of Social Service NSW
Ministry of Transport

The following organisations and individuals attended the public hearing held at the Tribunal's offices on 20 October 2006.

Representatives from IPART

Dr Michael Keating AC, Chairman
Mr James Cox, CEO and Full Time Member
Ms Sibylle Krieger Part Time Member
Ms Fiona Towers
Mr Aaron Murray
Mr Craig Tipping

Roundtable participants

Action for Public Transport (Mr Allan Miles)
Bus and Coach Association (Mr Darryl Mellish)
Buslines Group representing the Bus and Coach Association (Mr Frank D'Apuzzo)
Council of Social Services New South Wales (Mr Warren Gardiner)
Ministry of Transport (Mr Jim Glasson)
Ministry of Transport (Ms Catherine Reilly)
State Transit Authority (Mr Roger Wilson)
State Transit Authority (Mr Paul Schuman)
Western Sydney Regional Organisation of Councils (Mr Alex Gooding)

Other attendees

Mr Ivan Gantar
Mr Peter McCallum (Inner Metropolitan Transport Forum)
Mr Paul Trevaskis (Blue Mountains Commuter and Transport Users Association)
Mr John Webb (Parents and Citizens Association)

APPENDIX 3 ABBREVIATIONS USED IN THIS REPORT

ABS	Australian Bureau of Statistics
BCA	The BCA or Bus and Coach Industrial Association is the peak industry organisation for the NSW private bus and coach sector.
BICI	Bus Industry Cost Index
MoT	The Ministry of Transport, formerly the Transport Co-ordination Authority, formerly the Department of Transport
PwC	Pricewaterhouse Coopers, the author of the model used to calculate revenue requirements of operators on non-commercial contracts.
PTA	Passenger Transport Act 1990
SSTS	SSTS or School Student Transport Scheme provides subsidised travel for eligible school students on government rail, government and private bus and ferry services and long distance coaches. The scheme can only be used for travel between home and school.
STA	The STA or State Transit Authority is the government-owned provider of bus services in Sydney and bus and ferry services in Newcastle.

