

**Submission to Independent Pricing and Regulatory Tribunal
Review of Public and Private Bus Fares**



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WSCF Submission to IPART Review of Public and Private Bus Fares 2005-2006

Western Sydney Community Forum (WSCF) is a regional peak organisation representing community-managed organisations across Greater Western Sydney. Through a process of representation and action WSCF strives to maintain and improve the quality of life for residents of Western Sydney.

WSCF works to build strong, organised communities by bridging the divide between communities and policy makers at the local, regional, state and national level. As a capacity building and advocacy organisation WSCF ensures a voice for people working daily with the challenges facing the region, connecting those too often excluded.

WSCF enjoys widespread support and extensive networks amongst the community sector in Western Sydney. We work to strengthen partnerships with community-based practitioners, non-government organisations and others committed to finding solutions by bringing together resources, partners and information. We utilise a range of strategies to promote local successes and local leaders.

WSCF has a cross-regional membership of about 200 community-based organisations providing services and resources to the residents of Western Sydney. WSCF represents organisations working in the Local Government Areas of Auburn, Bankstown, Baulkham Hills, Blacktown, Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Holroyd, Liverpool, Parramatta, Penrith and Wollondilly.

1. Bus Reform Process:

WSCF supports the implementation of the bus reform process in Western Sydney. Implementation of bus reform is in its infancy with the majority of benefits to arrive at a later date.

To date bus reform has facilitated the introduction of the Pensioner Excursion Ticket (PET) to many parts of Western Sydney; fare harmonisation between private and government services resulting in reduced fares for many Western Sydney bus users, and as new contracts are signed, a greater number of concessions become available. The Tcard has been introduced for school students on private bus services.

While the above initiatives bring benefits to private bus users in Western Sydney there have been complications during the implementation process that have affected the performance of services in Western Sydney.

The selling of PET on private buses has caused delays to services as there are not the ticketing technologies on board buses to efficiently distribute them; bus drivers are required to stamp or write the date for the day the ticket is valid. Likewise the introduction of the students Tcard has caused delays to services as drivers have been required to fill in interim travel notices for students whose pass is lost or stolen. This is currently under review because of issues arising from this.

While a greater number of concessions are progressively introduced to the private bus network there has been no promotion of this to those who will benefit from their introduction, and as concessions aren't available until a new contract takes effect it is confusing for passengers traveling with the region with different operators. With both the introduction of PET and concessions generally there have been incidences of drivers being unaware of concession eligibility causing conflict between driver and passenger.

I am aware that the above issues will be resolved over time, but as service improvement is considered in evaluating the level of increases in fares it is important to demonstrate that the process of bus reform and management of the process is at times impacting negatively on service performance in Western Sydney.

WSCF considers that much of the current and future implementation of Bus Reform in Western Sydney will address the inequities individuals, families and communities experience from past policies, but addressing inequities needs to be differentiated from service improvements and performance. The reform process is only just beginning to address these. WSCF would only support a nominal increase in fares above CPI if all revenue collected from this was directed to reduce the inequities between private and government services, and only if this was implemented in a way where the social impacts would be minimal, For instance extending the TravelPass to passengers of private operators and re-zoning these tickets to reflect regional travel patterns as well as introducing Family Fares would be a positive first step.

To date many of the benefits of bus reform discussed in the MoT submission to IPART are speculative and therefore should not be considered in the decision making process of increasing bus fares beyond CPI.

1.1 Inequities between Sydney Buses and Private Bus Services:

As stated above there remain many inequities between Sydney Buses and private bus services. These are listed below to highlight the difference between the sectors. The inequities need to be addressed so discussion and debate regarding fare increases are conducted in an environment where passengers are receiving comparative services for comparative prices.

1.11 Ticketing products

Fewer ticketing products are available to private bus passengers than there are to passengers of Sydney Buses. This results in higher fare costs to passengers of private bus services.

Tickets currently not available on private buses are:

- TravelTens.
TravelTens will not be available on most private bus services until the introduction of the Tcard across metropolitan Sydney. Currently this is expected to begin in late 2006 and continue through out 2007. This means that it will be 12-24 months before TravelTens are introduced and passengers benefit from the discount TravelTens will provide.

- TravelPasses:
TravelPasses provide unlimited journeys on trains, Sydney Buses and Sydney Ferries within specific zones. There are also specific TravelPasses that can only be used on Sydney Buses or Sydney Buses and Sydney Ferries.

Currently the new bus contracts do not provide for the introduction of TravelPasses in areas serviced by private buses. TravelPasses can reduce the overall cost to passengers for multiple journeys taken over multiple modes. While all public transport passengers can benefit from purchasing TravelPasses, for those on a low income such as students, the benefits of TravelPasses can significantly reduce the overall percentage of their income spent on travel while increasing their mobility. For example a student with a concession card traveling on a train and private bus from Richmond to Macquarie University five days a week pays \$44.00 (\$16.50 train fares and \$26.00 for bus fares at concession rate) for ten journeys. Where as a student traveling similar distances on government buses and trains, eg Kogarah to Macquarie University, can purchase a Green TravelPass for \$20.00 at concessional rate. The Green TravelPass allows for unlimited journeys within that zone on trains, buses and ferries for 7 days, whereas the student using private buses, in addition to higher cost to access the university will have the additional cost of any other bus journeys undertaken.

- **Term School Passes**
Term passes are available to school students that travel on Sydney Buses but not eligible for the free travel to and from school under the School Student Subsidy Scheme. The pass costs \$40 per term, a significant reduction in comparison to single fare prices and provides convenience for both driver and passenger. As students are not required to carry cash for fares their safety is increased through the likelihood of loss of fares being reduced.
- **Tourist/Leisure Products:**
A range of tickets are available that target the tourism and leisure activity markets. The tickets not only provide unlimited travel within large parts of the Sydney Buses, Sydney Ferries and CityRail network, they also provide discounts to a number of tourist centres and activities. This helps promote and develop the tourism industry and the economies connected with tourism within central Sydney.

They are not available for use on private buses therefore the developing tourist markets of Western Sydney cannot be promoted and encouraged in the same way, affecting the economies to the region.

- **DayTrippers:**
DayTrippers are a one day ticket for travel on CityRail, Sydney Buses and Sydney Ferries services. Adult tickets are currently \$15.00, half fare \$7.50 and offer discounts to a number of places of interest.

- **Family Fares**
Family Fares are available when at least one fare paying adult travels with their children or grandchildren, the first child travels for a child fare and the other children travel free. This includes DayTripper tickets. The family fares make it affordable for families to travel on Sydney Buses, Sydney Ferries and CityRail services and encourages the use of public transport to access leisure activities.

- **SydneyPass**
There are 3, 5 and 7 day Sydney Pass tickets available that include unlimited travel on the Sydney and Bondi Explorer buses, AirportLink train transfers, Harboursights cruises and discounts to numerous tourist attractions in the Sydney CBD and surrounds as well as unlimited travel on Sydney Buses, Sydney Ferries and CityRail services within the red TravelPass zone.

1.12 Drivers conditions and wages:

Although drivers employed by private bus companies have gained a 19% increase over three years, wages will be remaining lower than their Sydney Buses counterparts during the process as they have been for sometime. Lower wages has had an impact on the employment and retention of drivers. This in turn has impacted on service reliability, customer relations, and the ongoing cost to the private bus industry in training drivers.

Drivers in many areas serviced by the private industry do not have facilities comparable to their Sydney Buses counterparts. Industrial actions have erupted over the lack of access to basic requirements such as toilets and hand washing facilities.

In developing the new contracts MoT was aware of the likelihood of increases to drivers' wages. The Unsworth Report recommended that in developing the new contracts that they were to reflect requirements in relation to staff training, qualifications and work safety¹ and not for passengers to pay for this through increased fares. MoT, the BCA and bus companies have invested considerable amounts of time and money over the past 16 months negotiating these contracts and payments from the Ministry of Transport to bus operators to cover these costs should have been considered in that process.

1.13 Driving conditions – bus lanes, illegal parking.

The conditions that drivers are required to drive under in many areas are lesser than in Sydney Buses areas. Besides the Tway there are few bus only lanes in Western Sydney. This slows buses down making services unreliable, makes driving stressful and unreliability can cause conflict to arise between passengers and drivers.

As little is done to prevent vehicles parking illegally in bus zones, drivers continue this practice. For people with mobility impairments a bus being unable to pull up along side a kerb increases the potential for an accident to occur raising safety issues. Inspectors employed by Sydney Buses have the capacity to book vehicles for parking in bus zones whereas inspectors of private buses do not.

1.14 Vehicles.

There are few buses across the private bus network that are air conditioned, wheelchair accessible, have a rear exit for passengers or route information displayed at the rear and side of the bus.

The lack of air conditioning makes a journey unpleasant during times of extreme weather conditions for both driver and passengers and no rear exit lengthen journey times.

With no route information displayed at the rear or the side of the buses, safety becomes an issue for drivers and passengers as passengers are required to go to the front of the bus to see the destinations/route number of the bus.

There are so few accessible buses in Western Sydney that operators are unable to timetable them, making journey planning for people who require these buses difficult to impossible. In the 2005-2006 Budget Papers there has been an allocation of \$60.1 million for the purchase of 79 high capacity buses and 45 standard buses for the Sydney Buses and Newcastle Buses networks². No equivalent allocation of spending or intention to purchase by the private sector is in the budget or the MoT submission to IPART.

¹ Unsworth Review. Recommendation 17, point 12.

² NSW Budget Estimates 2005 -2006 pages 21-8

1.15 Ticketing technologies

Few, if any private bus companies in Western Sydney have electronic ticketing systems (eg green dippers) on their buses³; nor will there be until the introduction of the Tcard. As this results in the vast majority of tickets being sold by the driver, delays occur, journey times are longer than on Sydney Buses services over similar distances under similar conditions, and because cash is being carried on buses this places drivers and passengers at a higher risk of robbery occurring.

1.16 Infrastructure – shelters, signage, information, complaint processes

In Western Sydney there are fewer bus shelters and seating facilities than in Sydney Buses locations, bus stop signage is inconsistent ranging from a sign on a telegraph pole or tree through to j poles. Information such as timetables at bus stops is random, 131 500 does not provide the same level of information regarding private bus services as it does for Sydney Buses, the bus stop numbering system that allows access to information 24 hours a day does not operate in areas where private buses provide services and although complaints can be given to 131 500 regarding private bus services few passengers are aware of this and continue to contact the bus company directly.

Recommendations:

- 1. That until there are comparable services for comparable prices that only CPI increases be applied to single fare tickets;*
- 2. If there are increases above CPI then the revenue raised by this is directed to address the remaining inequities between private and public bus services and that this is done in a way where there is minimal impact on socio –economic disadvantaged groups.*

2.0 Fare increases and the CPI + x approach

The MoT in its submission to IPART has recommended a CPI + x approach where x represents demonstrable service improvements that might justify an increase over CPI. MoT does not demonstrate what is to be considered as service improvements, what the minimum level of service is that improvement can be measured against and the reporting system in place to monitor service improvements. This would need to be clear before WSFC would be able to discuss or support such an approach.

There is also no suggestions as to how this approach would be managed if the service improvements result in increased patronage and increased fare box revenue; would the increased revenue be deducted from the increase resulting from this CPI + x approach. If not, why not. Service improvements are not always the same as efficiency improvements and it would be necessary to differentiate between these to encourage both.

As conditions of the new contracts relating to service improvements are not available to us we do not know what improvements are contractual requirements therefore WSFC is

³ The exception to this is the fitting of scanners for the school students Tcard.

not in a position to make comment. This information is essential if to ensure informed public participation in debates and discussions during the IPART process⁴.

Though in no position to speak for IPART, it is reasonable to assume that IPART, like all participants in the fare determination process, would need access to this information to enable an informed decision to be made in regards to considering the development of the CPI + x approach in the this process.

Another factor to consider in determining fare prices is that there are areas in Western Sydney (and other parts of Sydney) where bus travel is the only public transport option. Without tickets such as the TravelPass, private bus fares are considerably higher than Sydney Buses and CityRail journeys of comparable distances. For example a weekly bus ticket on Westbus M2 services is \$52.00 where as a Pink TravelPass is \$47.00 and a CityRail weekly from Blacktown to the City is \$37.00.

- Single Metropolitan Fares

As single fares are the majority of fares purchased on private buses in Western Sydney until there is equity in the ticketing products available that include TravelTens, TravelPasses, Family Fares and the other ticketing products stated above WSCF does not support an increase above the CPI. The introduction of the PET and fare harmonisation to Western Sydney has demonstrated through increased patronage the fare sensitivity in particular locations to specific groups.

WSCF and UWS are currently conducting research into transport disadvantage in Western Sydney. In focus groups we have conducted for this research participants commented on the difference fare reduction have had to their lives⁵.

One woman commented that with the ten cent reduction she received each way with each of her children's fares since fare harmonisation, she would be able to purchase an addition pair of shoes for her children this year. This is one of numerous examples we have of how sensitive some individuals and families are to fare increases on buses and how increases can impact on them.

- TravelTens

TravelTens are potentially the only multi-ride ticket that will be available in WS. In the absence of the introduction of TravelPasses or other integrated fare products WSCF does not support the discount to go below 20% of comparable single fares.

MoT has determined the discount a 15% to TravelTens in the new regional contracts currently being introduced to metropolitan Sydney. Given how contentious this issue was during the 2004 IPART fare determination process it is undermining of this participatory process for MoT to have set the discount at this level.

⁴ See Appendix 1 for extract from final report of the Unsworth Review of Bus Services in NSW. It is the data relating to service performance and reporting that WSCF considers essential to be available in the fare determination process.

⁵ The research will not be completed until October this year.

- TravelPasses

The Ministry of Transport has recommended a CPI increase to the Sydney Buses revenue split of TravelPasses. WSCF has concerns in applying CPI increases in this way. The percentage split presented by MoT reflects an agreement reached as to how to distribute revenue collected from the sales of TravelPasses and not necessarily usage. Would MoT be able to provide information on how this revenue split was determined and when it was last reviewed to ensure its relevance.

Given that the TravelPass is a ticket with integrated fares this suggests that purchasers use multiple modes of transport, when one of those modes fails to provide a reliable service as is the case of CityRail currently then the overall value of that ticket diminishes; this may be why there has been a reduction in the sales of TravelPasses in the past 12 months.

As the transport system is unreliable and likely to remain so for sometime we do not support an increase to TravelPasses. If IPART decision is to support the proposed increase then it should not be rounded up to the nearest dollar. On the figures presented by MoT on rounding TravelPass and other multi-ride multi-mode tickets up the nearest dollars is increasing the cost significantly above the CPI percentage increase.

As there is limited data available as to who purchases TravelPasses, how TravelPasses are used, or if the availability and cost of TravelPasses influences decisions to use public transport, WSCF recommends that data be collected in relation to this. WSCF considers this essential as MoT suggests the removal of TravelPasses as a solution to resolve the inconsistencies with the principles of competitive neutrality in not having this ticket available across the metropolitan region. WSCF opposes this as the solution and recommends that TravelPasses become available across metropolitan Sydney to resolve the inconsistencies.

If data was collected an analysis could then be conducted of the social and environmental impacts of withdrawing or expanding TravelPasses across the metropolitan area.

Initial data from the introduction of integrated fares in south-east Queensland have shown a significant increase of 9.5% in patronage in public transport since it was introduced in 2004. For MoT to be considering the withdrawal of TravelPasses as opposed to the expansion of it to private bus operators is contrary to a core aim of bus reform – addressing the decreasing patronage on private buses. In SEQ significant increases in patronage to bus companies range from 11.8% (Brisbane Transport) to as high as 194.2% (Caboolture Bus Lines)⁶.

It is increases like these that we need to see in public transport usage in Western Sydney to address some of the negative impacts caused by ever increasing vehicle kilometer traveled by the private vehicle in Western Sydney not policies that will result in passengers leaving public transport.

⁶ Queensland Department of Transport, Media Release July 2005.

Recommendations:

3. *That MoT makes publicly available relevant sections of the contract regarding service improvements and reporting procedures so that there can be informed debate/discussion on this during the IPART process and that the CPI + x approach not be considered until this is available;*
4. *No increases to the TravelPass tickets;*
5. *TravelTen discounts not to go below 20% to comparable single fares on both public and private bus services;*
6. *To meet the principles of competitive neutrality the Ministry of Transport makes TravelPasses available on Private bus services.*

Appendix 1

Extract from the final report of the Unsworth Review into NSW Bus Services:

Recommendation 17 (relevant sections in italics)

Other terms of the contract should include or reflect:

- the prerequisites before a principal operator (and associated operators) can enter into a contract;
- the boundaries and strategic corridors that make up the contract region;
- services to be provided locally and along the strategic corridors, including integration requirements with other modes;
- *service quality, performance, bus fleet and other Standards to be met, such as punctuality and reliability, timetable information (including requirements in relation to community consultation/notification in respect of service changes), signage, customer relations/complaint handling, fleet specifications, and environmental performance (including implementation of the RTA's Clean Fleet maintenance guidelines);*
- *requirements in relation to the development of Accessible Transport Action Plans and Customer Relations Plans;*
- *recording and reporting requirements including provision of boarding and revenue data, financial records, and the need to report regularly to the community on punctuality/reliability, customer service and complaint handling;*
- *service planning to be undertaken by operators in consultation with regional service planning forums and approved by the Ministry of Transport, in keeping with relevant guidelines;*
- requirements in relation to provision of SSTS, other concessional travel, fares and ticketing, including participation in smartcard ticketing and installation in buses of related equipment;
- *the need for co-operative arrangements as required with neighbouring and other operators, including for the provision of community transport;*
- *participation on local transport working groups as required;*
- contract payment details including those for SSTS, concessions and any CSO funding;
- requirements in relation to staff training/qualifications and work safety;
- provisions for dispute resolution;
- termination events;
- *procedures in relation to contract breaches, including a graduated penalty regime and the exercise of step-in rights where required; and*
- procedures in relation to the re-tendering of contracts.