



Submission to the Independent Pricing and Regulatory Tribunal of NSW

**Determination of Fares for Taxis,
Private buses and Private Ferries 2002/2003**

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Introduction:

Western Sydney Community Forum (WSCF) is a regional peak organisation representing more than 200 community managed groups and organisations in 14 local government areas of Western Sydney.

WSCF welcomes the opportunity to participate in the process of determining fares for private transport providers in Western Sydney and supports the Independent Pricing and Regulatory Tribunals involvement in setting fares for the private bus industry. WSCF has a particular interest in regards to the private bus industry as they are a major public transport provider in Western Sydney.

In this submission WSCF will respond to issues raised in the IPART issues paper and in the BCA submission. This submission will deal with issues relating to the private bus industry in Western Sydney and incorporates concerns raised in consultation with other stakeholders.

WSCF does not support the 6.03% increase to private bus fares proposed by the Bus and Coach Association (BCA) based on a cost index approach that ensures fare increases without consideration of the social equity impacts on users of the private bus system or in one that lacks efficiency incentives. WSCF would support IPART in the development of an alternative regulation approach that includes a broader range of variables to be considered, that includes an assessment of revenue and returns as well as where a price regulation approach drives efficiency gains.

WSCF considers that the environment the private bus industry operates in is a monopoly and we believe that the majority of its customers also support this view. The BCA argues that it faces competition from other modes of transport including private cars, taxis and walking. We do not consider that these are viable transport options for the majority of their customers. Data provided by the Transport Data Centre supports this, citing that 53% of private bus user do not have access to a car, 27% consider it cheaper and a further 28% cited that parking issues did not make the private car a viable option.

Social Equity:

Users of private bus services in Western Sydney do not receive the same level of subsidisation from the NSW Government that STA customers receive, subsidisation is much lower. This is most noticeable in concession fares and has serious social equity implications for Western Sydney residents and for the private bus industry. WSCF remains concerned at the lack of progress and outcomes from the Public Transport Authority's review of transport concessions. This review commenced in September 1999 with submissions closing in November 1999. We are aware that the Minister recently rejected a paper prepared by the PTA in regards to this and that PTAC has presented an alternative paper. We recommend that this issue be resolved to remove the economic and social inequities currently existing in our transport concession system.

In the context of an inequitable transport system a fare increase of 6.03% will have significant financial impacts on users of the private bus industry. The annual income of the average private bus user is between \$4,160 and \$10,399 with eighty percent of private bus users having an annual income below \$20,799.

Of journeys travelled on private buses 43% are journeys undertaken using a school pass, 7% are child fares, 22% are concession fares and 6% are classified as other. Only 19% of trips on private buses are full paying fares. This figure would be less if these same journeys were made on STA services due to more concessions being available. Given these statistics it is clear that any rise in fares will have a significant affect on the users of private bus services increasing the inequities between users of government and non-government transport.

The cost of the bus fare for many private bus users is only a percentage of their overall public transport cost. Thirty nine percent of private bus users go on to access train services. Unlike STA customers they cannot purchase multimodal tickets that offer significant discounts when changing between transport modes.

Service Standards, Quality and Performance:

There is limited information in the BCA regarding service standards and quality of the private bus industry. And in regards to performance while comparisons are made to STA there is a general acknowledgement in the BCA submission that Transport NSW lacks the administrative capacity to conduct either adequate performance assessments or effective audits and compliance, nor to conduct effective research and data analysis. Given this lack of administrative capacity it is almost assured that operators' contracts will be renewed and that safeguards for customers are limited.

The BCA does make comments on a number of performance indicators responded to below.

Minimum Service Levels

The existing method for setting Minimum Service Levels are based on collection and analysis methods that have a limited capacity. Since the introduction of the MSL there have been developments in technologies for collecting and analysing data. These technologies are able to incorporate an increased number of variables giving improved data in establishing MSL.

The BCA states in its submission that 50% of services operate above the MSL. Given that there are deficiencies in the calculation of MSL this does necessarily indicate that the level of service being provided is beyond realistic appropriate minimum requirements. What it does imply is many services are operating at inadequate levels of services if 50% are operating at MSL. The development of current MSL standards do not acknowledge the rapid population expansion experienced in Western Sydney where there is an annual population increases of between 50 000 and 60 000 people.

On Time Running

The BCA discusses the operational difficulties of using on time running as a reliable measure for performance. WSCF supports the BCA in calling for the wide spread introduction of bus priority lanes and technologies that give priority to buses in traffic

and also of technologies that inform passengers of real time information for bus arrivals.

Service Innovations

A number of service innovations are discussed in the BCA submission. WSCF welcomes innovations in the private bus industry but considers them to be innovations of private operators rather than the industry. That the innovations are dependent on an operator serves to highlight the further fragmentation of the public transport system in Western Sydney whereby service beyond minimum requirements etc depends on where you access a bus rather than being industry wide.

Customer Charter

WSCF supports the introduction of an industry wide charter however there are concerns in regards to the draft presented by the BCA.

- ***Consultation***

The BCA does not provide any details of the consultation process undertaken with its customers in developing the charter. WSCF would expect passengers and commuter groups to be involved in the development of the charter. There is also concern as to how the customer charter would be made available. CityRail introduced a customer charter last year and there is limited public awareness of its existence.

- ***Content***

A customer charter generally sets out aims of an organisation in relation to service delivery and establishes in advance the procedures that a business agrees will govern the relationship between itself and its customers. The charter needs to be concise, clear and accessible. The draft charter does not comply with these points.

- ***Remedies for breach of charter***

The draft charter does not contain any form of redress for customers if standards of service are not met. The form of redress should be attractive to industries customers and provide the real incentives for that industry to meet the standards.

- ***Targets***

The current Draft Customer Charter does not include clear targets for service delivery. The absence of targets makes it difficult for a customer to know what level of service to expect and for the service provider to measure their own performance. An example of this is comments made in regards to accessibility.

‘The private bus industry is committed to improving service accessibility, particularly to the elderly frail and people with disabilities.

Where possible, operators will purchase accessible buses when replacing fleet, such as low-floor and wheelchair access models.

Where fleet resourcing is sufficient to allow it, operators will schedule accessible vehicles to operate at regular times and advertise their availability.’

This statement does not give any indication as to the conditions that make it possible for operators to purchase accessible buses or what is considered sufficient resources to schedule accessible buses. There is also no indication of when customer could expect a fully accessible bus service.

The BCA in its submission makes mention of a Service Quality Index (SQI) that was developed in anticipation of PAR being introduced. The SQI developed attributes that can be measured.

These are:

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|-----------------------|----------------------------|--------------------|
| - Reliability | - Information at bus stops | - Fares |
| - Frequency | - Walking distance | - Safety on board |
| - Cleanliness | - Travel time | - Access |
| - Bus stop facilities | - Driver attitude | - Air conditioning |

WSCF considers the following changes to the above to be relevant to improving the customer charter:

- Information at bus stops changed to information provision that includes information at bus stops. Information needs to be available at a number of locations including railway stations, shopping centres, recreation/leisure centres, TAFEs, Universities and other trip generators.

Information needs to be more than the departure times of buses, but include operators contact details, how to give feedback and make complaints and when appropriate information regarding other transport services such as departure/arrival times of connecting train.

Transport information needs to be available in a format that meets the needs of people from non-English speaking or reading backgrounds.

The promotion and marketing of operator's service also need to be included in an overall information provision strategy.

- Fares to include a range of available ticketing products.
- For driver attitude to be part of customer service. Though drivers are who customers generally are in contact with and therefore their attitude is important, it is as important that all employees who are in contact with customers have appropriate customer service skills.

Conclusion

In summary WSCF is concerned about fare increases based on a cost index approach that does not drive efficiency gains or consider revenue and returns, and that almost automatically allows for fare increases.

We support the private bus industry in seeking federal and state funding for public transport. Without commitment from both levels of government congestion, pollution, health issues to name a few will continue to severely impact on residents of Western Sydney. We believe that public transport development will contribute to a sustainable Western Sydney.

WSCF continues to call for equitable funding by the NSW government for all public transport users regardless of who operates the service they access. We do not consider the government's inaction on this issue to be politically sustainable.

Finally WSCF believes that the BCA's submission demonstrates further inequities that are experienced by users of private buses where by levels of service above the MSL, ticketing options and responsiveness to community needs are dependent on individual operators rather than on industry standards and benchmarks. We would welcome the introduction of an industry wide Customer Charter that addresses these inequities and inconsistencies as well as the introduction of a Transport Ombudsman.

With regards
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