

BCA'S COMMENTS ON THE UNSWORTH'S FINAL REPORT AND THE GOVERNMENT'S RESPONSE

Review of Private Bus Industry

The Unsworth Final Report calls for common standards of fares and services tailored to the needs of the community – no matter who is the transport provider (government, private, transport disadvantages service providers etc.). Unfortunately, to achieve these objectives, additional funds are required either from government or by the passenger.

Leading up to the review, the Government had preconceived ideas that there were considerable savings that could be reallocated from:

1. STA inefficiencies – It is clear there are savings from restructuring the STA who receive the bulk of government subsidies, but the political will to do so is not evident.
2. SSTS – No significant savings can be realised because the funds contribute to the operator's capacity to provide the service (a fixed cost element as well as a per student element), even if not all students travel every day.
3. Network savings from changing to larger contract regions – The Government is also now realising that bigger contract areas will not deliver savings, as operators already plan services to meet passenger demands and are operating at the most efficient cost levels in Australia.

Comments on main recommendations of the report are:

1. Introduce Strategic Bus Corridors in Metropolitan Areas

75% of these services already operate and the other 25% are not viable without subsidy. There is no evidence additional funds are available.

2. Introduce fewer/larger contract areas in Metropolitan Sydney

The rationale for this has been heavily discredited by experts who confirm that network planning and efficiencies are best achieved through partnerships with bus operators who have depots dispersed in local areas where the buses are needed.

3. Equitable treatment of passengers (and operators) regardless of who provides the service

Equity in fares, concessions and subsidies are strongly supported by the Bus Industry. However, the political will and allocation of funds to achieve it appears not to be on the radar screen of the present government who appear not to have any appetite to invest in the future of improved bus systems, and are content to accept the gradual overall decline in services and standards (although some areas may have initially increased frequency).

4. Changing the Government's policy on providing bus services in Rural and Regional Areas

The Industry supports the better use of resources by a whole of government approach to service planning and funding.

The private bus industry has the buses and expertise to meet the community needs and has the prior record of cost efficiency, reliability and safety.

The missing pieces are, adequate funding and coordination between vastly different government agencies (Federal, State, Local, Health, Transport, Community Services etc).

The MoT's resources and expertise will need to be boosted to achieve these objectives within a reasonable time frame.

5. The Governance Issues

The Unsworth Report identified the deficiencies in the current arrangements, however even the Government's response appears to be a "wait and see" compromise approach. Public transport is a government responsibility and the Government must share the risk inherent in designing services and coping with shifting population and community needs.

Efficient operators should receive adequate revenue and security to invest in fleet upgrades as community safety/transport needs change.

The Unsworth Report on how contracts should be let and paid for is out of step with the needs of the community and does not recognise the role for government to underpin bus services as an essential community service.

The Way Ahead

1. If the Government is not prepared to provide more funds or redirect funds currently disproportionately allocated to the STA operators, services will need to be reduced.
2. Once the size of the bus transport budget is established the number of services that can be sustained will be able to be planned and contracts prepared with new funding mechanisms to undertake the services required.