

INQUIRY INTO INTER-REGIONAL PUBLIC TRANSPORT

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INQUIRY INTO INTER-REGIONAL PUBLIC TRANSPORT

PURPOSE:

- To provide a submission to the Inquiry into Inter-Regional Public Transport.

BACKGROUND:

- In March 2012, the Minister for Transport was invited by the Chair of the State and Regional Development Committee to make a submission to the Legislative Assembly Inquiry into Inter-Regional Public Transport (the Inquiry), by 18 May 2012.
- Transport for NSW welcomes this Inquiry into improving CountryLink and regional passenger transport services generally.
- Transport for NSW is currently consulting with regional communities on their transport needs and will incorporate feedback into the development of a Long Term Transport Master Plan. This will guide the Government's decision-making for transport in NSW over the next twenty years. Many of the matters likely to be raised by this Inquiry are being considered as part of the development of the Master Plan.

CURRENT POSITION:

- On Tuesday 15 May 2012, the Minister for Transport announced a new program, 'Fixing the Trains'. The 'Fixing the Trains' program will focus on delivering better passenger rail services to customers across the State.
- Currently RailCorp tries to service both city and regional and intercity customers in a similar way, and as a result neither customer receives the services they deserve.
- Two new specialist rail organisations will be created to service the different needs of Sydney and regional/intercity rail customers:
 - Sydney Trains – operating frequent and reliable trains in the greater Sydney suburban area; and
 - NSW Trains – operating train services focusing on the needs of longer distance regional and intercity customers, and also looking after connecting road coach services.
- Six months ago the Government established the integrated transport authority, Transport for NSW, and refocused the transport agencies on service delivery.
- The 'Fixing the Trains' package of measures includes further simplification of RailCorp and the transfer of more functions to Transport for NSW, including major capital works projects, engineering design and network access arrangements.

- Transport for NSW is currently undertaking a comprehensive range of transport planning initiatives. These initiatives address, among other things, the issues that are being examined by the Inquiry, such as:
 - *The Long Term Transport Master Plan for NSW* – Its development has included a series of consultations within regional areas that are currently being served by regional public transport, including CountryLink. The consultations closed on 27 April 2012 and submissions are being considered. The draft Long Term Transport Master Plan is due to be released shortly.
 - *The Country Passenger Strategy* – The Country Passenger Strategy is under development and will be an integrated multi-modal study to understand and improve the travel needs of people in NSW regional areas using various modes of transport, including CountryLink. The strategy is due for conclusion shortly.
 - *Fixing the Trains* – This package of measures is currently underway with an objective to deliver improved customer service across the State, including regional areas, while ensuring overall delivery costs become more sustainable into the future.

COMMENT:

- All these activities will have a direct impact on the future provision of CountryLink services. The Long Term Transport Master Plan will include a comprehensive approach to serving regional areas and will have input from the Country Passenger Strategy. The Fixing the Trains package is likely to influence the business model for future delivery of CountryLink services, under NSW Trains.
- Until details of these initiatives are completed and further announcements are made by Government, it would be pre-emptive to provide a comprehensive response for the Inquiry. The transfer of responsibility for various RailCorp functions to Sydney Trains and NSW Trains is likely to take 12 to 18 months.
- In the interim, the Country Passenger Strategy will focus on identifying current and future customer issues, needs and gaps in service provision, and will incorporate these into a comprehensive multi-modal strategy to provide improved regional passenger services.
- The strategy will make recommendations to Government on options to improve country passenger services under the NSW Trains business model. These recommendations will include options for rolling stock and delivery of services, over a range of timeframes from short-term 'quick wins' to longer term investments.
- Details about current services in rural and regional NSW are attached, as follows:
 - **Attachment A** – Current CountryLink services.
 - **Attachment B** – Current arrangements for the operation of bus and coach services.
 - **Attachment C** – Current air transport.

Current CountryLink services

Background on CountryLink

- Passenger transport needs within and across the regions of NSW are currently met by a variety of providers, including CountryLink, private bus and coach operators, and regional airlines.
- CountryLink is the largest multi-modal regional passenger operator in NSW.
- Current services are being examined to ensure they reflect contemporary customer service needs and market demand. This includes a focus on passenger origins/destinations, the customer-friendliness of arrival and departure times and overall trip duration.
- Regional rail services by their nature are constrained by existing track alignments. However, with CountryLink road coach services now connecting with rail services, this has offset some of this constraint.
- Recently, competition has arisen between passenger and freight trains for access to the rail network under various track access agreements that constrain both passenger and freight timetable opportunities on some sections of track. The proposed Northern Sydney Freight Corridor and Southern Sydney Freight Line will overcome some of these issues.
- CountryLink, along with many other regional passenger service providers, experiences seasonal changes in demand, which need to be considered when allocating rolling stock and providing services.

Business Profile of CountryLink

- CountryLink operates regional passenger trains and an extensive network of connecting road coaches to around 367 destinations, often to areas not served by other operators. A CountryLink network map, showing current rail and connecting road coach services, is provided at **Attachment A1**.
- CountryLink operates under the terms of its Customer Service Obligations to provide regional passenger rail services that deliver vital connections to rural communities throughout the state as well as connections to east coast capital cities.
- CountryLink's business model is based on providing scheduled regional transport services. CountryLink's operating costs are partly offset by fare paying passengers.

- CountryLink manages all NSW country stations, trains, onboard staff, reservations, sales and marketing. This includes the development of various discounted fare products aimed at increasing patronage and encouraging regional tourism. These include the following:
 - Country Pensioner Excursion ticket – provides \$2.50 travel for a one-way trip anywhere in regional and rural NSW on CountryLink services outside of areas serviced by the CityRail network.
 - NSW Pensioner Travel Voucher – provides four free single economy class trips on CountryLink services within NSW each year.
 - Half-fare concessions for pensioners, seniors and eligible students.
 - 15% 'study fare' discount on CountryLink services for students who are not eligible for half-fare tertiary student concessions.
 - \$1 fare for children (aged 4-15 years) travelling with a full-fare paying adult.
 - Family fares – all adults pay full fares and the first two children pay child fares, while any additional children travel free of charge.
 - Discounts of up to 30% of the full fare in low season.
- CountryLink fares were last increased by 4.6 per cent in 2007.
- In the period 2003/04 to 2009/10, the volume of full-fare paying passengers, as a proportion of total revenue, has increased, with a corresponding decrease in adult pensioner concessions, as outlined in Table 1 below.

Table 1: Proportion of Trips by Fare Type

Fare Type	Year 2003/04	Year 2009/10
Adult Full Fare	32.4%	43.0%
Adult Pensioner Concession	32.0%	25.0%
Adult Concession	11.0%	13.0%
Student	6.4%	5.0%
Country Pensioner Excursion	3.4%	5.0%
Child Fare	8.3%	5.0%
Other	6.5%	4.0%

- CountryLink's overall patronage on combined rail and road coach services in recent years has been increasing, from around 1.7 million passenger journeys in 2009/10 to the current demand of around 2 million trips per annum.
- CountryLink is more than city-to-city travel. The vast majority of CountryLink passengers (88 per cent) have a regional location as origin and/or destination. Only 12 per cent of all passengers travel between cities, as shown in Table 2 below.

Table 2: Proportion of Trips by Origin and Destination

Generalised Trip Origin and Destination	Proportion
City to City (e.g. Sydney to Melbourne)	12%
City to Country (e.g. Sydney to Wagga Wagga)	23%
Country to City (e.g. Tamworth to Sydney)	22%
Country to Country (e.g. Dubbo to Cootamundra)	45%

- Patronage growth has been strongest in the markets south of Sydney (i.e. to Canberra and south to Melbourne), followed by routes on the north coast. Patronage for journeys in the west of NSW has been stable.
- Similarly, the volume of passenger journeys is largest in the south, followed by the north coast, north west and western regions of the State.
- CountryLink patronage is highly seasonal with trains near capacity in peak season. Service levels are generally lower in the off season.
- CountryLink's operating cost in 2009/10, exclusive of fleet maintenance, was \$111 million. In the same period, revenue was \$41.5 million, providing a cost recovery of 38 per cent.

Current CountryLink Rail Services

- CountryLink operates the XPT fleet, which was first introduced in 1981, as well as the Xplorer diesel fleet, which was introduced from 1993.
- These trains operate over a variety of intrastate and interstate routes as outlined in Table 3 below.

Table 3: CountryLink Rail Fleet, Service Frequency and Rail Travel Times

Service from Sydney to:	Fleet type used	Service frequency	Distance (km)	Avg travel time (hrs)	Avg speed (km/h)
Brisbane	XPT	1 daily	987	13.6	73
Casino	XPT	1 daily	805	11.5	70
Grafton	XPT	1 daily	696	10.0	70
Melbourne	XPT	2 daily	952	11.4	84
Dubbo	XPT	1 daily	462	6.6	70
Armidale	Xplorer	1 daily	579	8.2	70
Moree	Xplorer	1 daily	666	8.8	74
Canberra	Xplorer	3 daily for 4 days per week, 2 daily for 3 days per week	329	4.3	76
Griffith	Xplorer	1 weekly	640	9.0	71
Broken Hill	Xplorer	1 weekly	1125	13.9	81

Challenges for CountryLink

- One of the major challenges for the rail network is that passenger and freight trains share the same track infrastructure. Freight is the major user of rail outside Sydney and the primary focus of many new rail investments. CountryLink timetables and travel times are constrained by having to share the rail network with freight trains in the regions and with CityRail trains on the Sydney metropolitan network.
- Relative to road and air, rail travel times are generally uncompetitive. To reduce travel times for rail, significant expenditure would be required to realign railway lines and provide for trains that can travel at faster speeds.
- Competition in the coach and airline markets in many parts of NSW has placed downward pressure on fares for those modes, making them an increasingly cost-effective alternative to CountryLink.
- Car travel dominates regional passenger travel, as shown in Table 4 below.

Table 4: NSW Regional Mode Share Estimates in 2010

Mode	Proportion
Motor Car	87.9%
Air	6.0%
Rail	2.8%
Other (including Road Coach)	3.3%

- The market for fare-paying passengers is mature and highly contested. CountryLink services face strong competition from car travel and airlines, particularly to large regional centres.
- It is recognised that strategic decisions are required regarding the CountryLink business model and fleet requirements. These will be addressed as part of the NSW Country Passenger Strategy, which will help guide the future direction for the CountryLink business to more efficiently serve the diversified country market.

Country Passenger Strategy

- The Long Term Transport Master Plan provides an opportunity to develop a NSW Country Passenger Strategy that addresses the efficient resourcing and delivery of customer services based on current and forecast future demand.
- The strategy will outline market requirements, recognising the constraints of various road and rail infrastructure and rolling stock, as well as the constraints imposed by competition between passenger and freight trains for access to rail track under the various track access agreements between RailCorp, the Australian Rail Track Corporation and the Country Rail Network.
- The strategy will provide context for future planning of all non-private country passenger travel within NSW and adjacent states, and provide guidance for strategic decision-making for CountryLink services, within the evolving NSW Trains business model.

Current arrangements for the operation of bus and coach services

Local bus services in regional areas

- Approximately 3,000 buses provide public transport services across NSW, outside the Greater Sydney Metropolitan Area. The majority of these (1,800) are focused on delivering school services along a single route (“Contract A” services – details below). The remainder (“Contract B” services – details below) provide regular passenger services in towns and centres, with the responsibility for network planning resting with the operator, in consultation with the community. Population changes are the main factor in determining service levels. There are provisions in the town service contracts requiring coordination with neighbouring operators.
- Fares and concession arrangements are similar to those provided under metropolitan and outer metropolitan bus contracts, including the following:
 - Distance-based fares (including the recent harmonisation of country town and rural fare scales through the lowering of rural fares).
 - \$2.50 Regional Excursion Daily (RED) ticket, which enables all-day travel for pensioners and seniors on services provided under Contract B.
 - Half-fare concessions for senior secondary students, apprentices, trainees and full-time tertiary students, enrolled in day classes and not in paid employment.
 - Free travel for World War One veterans and their wives/widows, assistance animals accompanying deaf people and people recognised for services to the State.

Contracted bus services

- A Rural and Regional Bus Reform Consultative Taskforce was established with the bus industry to identify appropriate options for contracting, funding and service planning in these areas.
- New arrangements for the delivery of bus services in rural and regional NSW recommended by the Taskforce were approved in April 2008.
- New contracts were progressively implemented across NSW from July 2008 and all new contracts were in place by December 2008.

- In keeping with the Taskforce recommendations, the new contracts provide:
 - greater community input to where and when services run;
 - better information to passengers when services change;
 - greater flexibility for operators to plan services to meet changing community needs;
 - reduced numbers of contracts, and incentives for operators to consolidate further;
 - sustainable bus services in rural and regional areas, by ensuring operators are paid appropriately.
- Further, the new arrangements ensured that country residents who are most likely to rely on public transport have better access to affordable travel. The Regional Excursion Daily Ticket (RED) and improved concession arrangements were introduced on regular route bus services contracted to Transport for NSW in rural and regional areas from 4 January 2009.
- Under these new arrangements, pensioners and seniors who previously had to pay either half price or full price when travelling on regular route services, are able to travel as many times as they like on the one day for a flat rate of \$2.50.

Rural and Regional Bus Service Contract A

- There are currently 644 Rural and Regional School Bus Service Contract A's, which provide 1,698 'stand alone' school bus services in rural and regional NSW.
- To establish a country school bus service under Contract A, Transport for NSW requires at least 15 school aged students to reside 3.2 kilometres or more by the shortest most practicable route to their school, and the majority must live beyond 8 kilometres. There must also be no suitable existing service in reasonable proximity.

Rural and Regional Bus Service Contract B

- Regular route and school bus services in rural and regional NSW (in country towns, between country towns, and between villages and country towns) are generally operated under Rural and Regional Bus Service Contract B.
- There are currently 77 Rural and Regional Bus Service Contract B's.
- The population for a rural and regional urban centre or locality needs to be 7,500 before a town bus service can be established. For the purpose of determining the need for bus services to be provided under Contract B, Transport for NSW uses Australian Bureau of Statistics data for the urban centre/locality. This data is considered to most accurately reflect the demand for a regular route bus service.
- In designing a bus network under Contract B, a balance must be achieved between the need for ease of access and minimising travel time.

- As a general rule, Transport for NSW requires bus operators in country towns to design bus routes so that a minimum of 85 per cent of households in the contract area are within 400 metres walking distance to a bus route during the daytime. There is no set requirement for network coverage after 6pm. This is determined by the operator based on local demand and community need.
- Transport for NSW generally requires that routes be as direct as possible, with minimal deviations.
- It is a contractual obligation that holders of Contract B's must have in place Neighbouring Service Provider Agreements with nearby bus operators which promote the coordination of bus services in an area. In addition, there is a requirement that they consult with Contract A operators to achieve a coordinated use of resources and improved delivery of services.

Long-distance bus services

- The *Passenger Transport Act 1990* defines a long-distance service as a public passenger service which is conducted according to one or more regular routes, in which each passenger is carried for a distance of not less than 40 kilometres.
- The operators of long distance services are required to be accredited by Transport for NSW, but the services they provide are not regulated or operated under a contract with Transport for NSW.
- This deregulated environment allows bus operators the flexibility to determine where they will provide a long-distance service, based on the travel needs of customers in a particular market. Matters such as the route taken, destinations, service delivery, fares and timetables are determined by market forces.

Passenger infrastructure in regional areas

- The provision of accessible bus services in rural and regional areas is challenging due to a lack of accessible passenger infrastructure, which is the responsibility of local government. For instance, in many rural and regional areas a lack of appropriate pedestrian infrastructure means there are few hard and level surfaces of sufficient height to operate a boarding ramp for buses and coaches.
- To support improvements to the amenity of passenger transport infrastructure in rural, regional and remote communities of NSW, Transport for NSW allocates approximately \$1.5 million per year under the Country Passenger Transport Infrastructure Grants Scheme.

Current air transport

- Regional airlines carry approximately two million passengers annually on 26 routes connecting regional areas to Sydney Airport. They operate on a commercial basis, receiving no subsidy from the Government.
- To support access for regional communities to air transport services on lower patronage routes, Transport for NSW licenses operators on a 'one route, one licence' basis. This aims to ensure service stability and encourage route development.

CountryLink train and coach network



CountryLink services, facilities and bookings

CountryLink train services

- North Coast train services
- North Western train services
- Western train services
- Southern train services

CountryLink coach services

- North Coast coach services
- North Western coach services
- Western coach services
- Southern coach services

All CountryLink coach services are wheelchair accessible (with 48 hours' notice to CountryLink)

Interchanges and station facilities

- Interchange between CountryLink services
- Car park at station
- Stations with wheelchair access
- Assisted access
(May be accessible with help from a friend or carer. Please check prior to travel.)

CountryLink bookings

- Visit www.countrylink.info
- Phone 13 22 32
- Or contact your nearest CountryLink travel centre or licensed travel agent.



www.countrylink.info
Bookings 13 22 32