

INQUIRY INTO PRIVATISATION OF BUS SERVICES

Organisation: Action for Public Transport (NSW) Inc.

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Detailed discussion

This submission is organised in sections corresponding to your terms of reference.

a. the modelling, rationale and process of privatising bus services

The push to privatise bus services is consistent with the “small government” political project launched at the beginning of the 1980s in the US under Ronald Reagan, and in the UK under Margaret Thatcher. The underlying rationale seems to be that private organisations are inherently more efficient than publicly owned institutions, regardless of the nature of the work they are doing.

Reducing the role of government carried with it the expectation of reducing the cost of government. When government funding of a public service can be reframed as “subsidising” an activity this seems like a virtuous thing to do, provided you don’t think too hard about it.

Needless to say, these propositions are debatable and debated. They are best seen as articles of faith that took root across the Anglosphere forty years ago, and still have influential adherents. The former Minister for Transport told the Australian Financial Review on 20 March 2017 that “They will all be private. In 10 to 15 years time government will not be in the provision of transport services”.

We expect other submissions will take up the issue of the expectation that getting out of service provision reduces the need for government to deal with employees.

Finally, a stated rationale has been that privatisation would improve bus services. The former Minister in 2017 said his reason for the privatisation of region 6 was to respond to passenger complaints. His suggestion that the STA attracted more than its fair share of complaints was however not borne out in the statistics. For every 1000 trips, 3.21 complaints were reportedly recorded, fewer than the number of complaints per 1000 trips in the South-West (3.36) and the Outer West (3.38). Source:

<http://citiesandcitizenship.blogspot.com.au/2017/06/bus-privatisation-in-sydney.html>

In any event, evidence of bus service deterioration is mounting, which is why we make this submission.

b. the impact on the commuting public through the loss of bus stops and services

Regardless of the extent to which privatisation per se has led to the loss of bus stops and services, the combination of the two in recent years has served to:

- Increase waiting times and total travel times^[1]
- Increase walking distances for passengers

These outcomes are at odds with strategic directions on climate change and city planning, as well as with the TfNSW motto "we put the customer at the centre of everything we do."

(i) *Vanishing bus stops*

It appears to us that the loss of bus stops has been driven not so much by actual or intended privatisation of bus services, as by a pattern of favouring movement by private vehicles at the expense of bus passengers.

Action for Public Transport first noticed savage pruning of bus stops in 2015. A series of leaflets canvassing bus stop closures issued, starting with Rozelle-Annandale buses in December 2015 and continuing until November 2017. These leaflets, misleadingly labelled "BUS PRIORITY", argued that bus services could be sped-up by eliminating bus stops which Opal data had shown to be lightly-used.

The leaflets did not acknowledge that the time saved was proportional to the number of times buses actually stopped. Given that buses only stop if passengers indicate they want to get on or off, the actual time savings (for the vehicle) must logically be minimal.

On the other hand, being unable to get on or off a bus at a location convenient to you has imposed a very real time penalty on passengers. When the bus sails right past their destination, passengers have to walk back to where they wanted to alight.

The rate of closures accelerated through 2020 and 2021. It is concerning that the process was run by Roads & Maritime Services whose remit was to run roads rather than buses. In reality the progressive elimination of bus stops is more likely to have aimed to accommodate left hand turns by general traffic (much of it single- occupant). This has increased walking distances across the Sydney bus system. It has also made interchanging more difficult.

An example can be seen at Elizabeth St in the city, which suffered a wholesale removal of stops a few years ago. Recent changes to the bus network have left passengers using Victoria Rd services with a walk of several blocks to a bus stop where they can transfer to a bus serving destinations on the eastern side of the city.

(ii) Service levels

There have been different approaches taken to the privatisation of public transport services in different places over the years, and some have had much worse impacts than others.

Cautionary tales

The Thatcher Government succeeded in virtually eliminating subsidies for Britain's bus operators by privatising them and ensuring that they adopted a purely commercial focus. But service levels and service quality in Britain drastically declined, and patronage levels followed.

Outside London, where the model was applied in its pure form, bus patronage declines between 1985/86 and 1993/94 ranged from 20% to 35.5%¹. London, where the model was applied in modified form, recorded a bus patronage decline of 3%.

The British experience was a cautionary tale, not a “best practice” benchmark, but Victoria followed it anyway. Victoria's privatisation exercise, firstly of government run buses, and later of trams and trains, was roundly condemned as a debacle². From the public transport user's perspective, the damage done was profound³.

NSW approach

NSW apparently took to heart some of the lessons to be drawn from Victoria, and chose a contracting model in which it retains ownership of the fleet and (so far) the depots necessary to ensure that services can still be run regardless of the fate of a particular operator.

Transport for NSW was given the role of determining routes, setting timetables, and managing the contracts that underpin the system. Bus contracts signed since 2012 state that they do not give operators exclusive rights, and require operators to declare their support for integration of services.

¹ HMSO, London, Bus and Coach Statistics in Great Britain 1993/4, as quoted in White, P. “Deregulation of local bus services in Britain: an introductory review”, Transport Reviews 1995 vol 15 no.2, p.191

² Mees, P. 2003 Public transport privatisation in Melbourne: what went wrong? <https://apo.org.au/node/309595>

³ Public Transport Users Association Victoria <https://www.ptua.org.au/policy/privatisation/>

Initially, we saw a consolidation of contract areas. At the time of the Unsworth report in 2004 there were more than 80 franchise areas in Sydney. By 2017, there were 14 “on paper”, but because some operators (especially the STA) operated services across multiple contract areas, there were functionally only 10 contract areas. Nine bus operators provided the services in these 10 areas.

The consolidation of contract areas facilitated the integration of bus services and enabled cross-regional routes (cross-regional routes can be “shared” between depots to which the operator has access). The best known were the red “Metros”, like the M61 (Castle Hill to QVB), M60 (Parramatta to Hornsby), M54 (Parramatta to Macquarie Park), M52 (City to Parramatta), M50 (Drummoyne to Coogee), M41 (Hurstville to Macquarie Park), M40 (Bondi to Chatswood), M30 (Sydenham to Mosman) M20 (Botany to Gore Hill) and M10 (Maroubra to Leichhardt).

Re-Balkanisation

Since 2017, as privatisation gained impetus, something appears to have gone wrong. We hope the inquiry can establish the extent to which there is a causal link.

The loss of many cross-regional bus services (M routes) is of particular concern to us. A possible explanation is the difficulty created when different operators have different “territories” and must utilise particular depots. We hope this does not herald a move towards the “bad old days” of a balkanised public transport operation.

Outside the area served originally by trams, and then by government buses, private operators were for many years licensed to operate all the bus services within “franchise” areas. Passengers could not cross from one territory to another without getting off at the border and changing buses. Waiting times were often intolerable, so bus patronage spiralled downwards.

In a submission to the Unsworth Inquiry⁴ in December 2003, the Shore Regional Organisation of Councils (SHOROC) noted:

Sydney Buses runs services that cross Forest Coach Lines contract area but they are not able to pick up passengers in this area and vice-versa. This ultimately results in a reduced service for passengers” (p.6)

⁴ *Review of Bus Services in NSW*

The popular (former) M52 bus route between Sydney City and Parramatta could only be introduced after the STA acquired the territory formerly “owned” by North and Western Buses in 1999.

Sydney’s bus system does not need to be re-balkanised. It needs to deliver fast, frequent and integrated services, unhindered by borders that have nothing to do with the needs of passengers.

What the government could usefully be doing is formally collapsing the 14 notional contract areas into the functional areas that have developed since 2004. It should extend bus lanes and priority at traffic signals, to make bus services faster and more reliable. Transport for NSW should be well resourced to undertake the highly skilled task of network planning and development. The mass removal of bus stops by the RMS needs to cease. And last but not least, frequencies need to be increased, especially outside the inner core.

(iii) **the economic, social, safety, employment and environmental implications of bus privatisation**

Any move that discourages the use of public transport is contrary to the strategic directions indicated in critical government policies and plans.

Carbon emissions from transport are second only to those attributable to energy production. The State's Climate Change Policy Framework, with its target of zero net emissions by 2050, is intended to set NSW up as a leading and competitive low-carbon economy.

Future Transport 2056 and its companion documents (Greater Sydney Services and Infrastructure Plan, Regional NSW Services and Infrastructure Plan, Greater Newcastle Future Transport Plan) recognise the strategic role played by public transport in shaping cities and making them work efficiently. Future Transport 2056 notes that "Transport for NSW aims to increase the mode share of public transport services and reduce the use of single-occupancy vehicles"(p.47).

(iv) **the transition to an electric bus fleet and supporting infrastructure**

The former Minister recently announced the progressive electrification of the public transport fleet, and we congratulate him for this. We would like to see the program accelerated – we have no time to waste.

Realistically, it will be many years before the private vehicle fleet follows suit. Maximising patronage on public transport remains central to the task of reducing CO2 emissions.

(v) **the impact of bus privatisation on worker pay and conditions**

We have no comment on this matter.

(vi) **any other relevant matter**

We have nothing to add.

Conclusion

APTNSW is grateful for the opportunity to make a submission to the inquiry.

We would be pleased to appear at hearings if desired.

Jim Donovan
Secretary
Action for Public Transport (NSW) Inc.