

Our ref: R97/0037rc Out-9216  
Further contact: Richard Connors

8 September 2003

Hon Barry Unsworth  
Chair, Review of Bus Services in NSW  
C/- Ministry of Transport  
GPO Box 1620  
SYDNEY NSW 2001

Dear Mr Unsworth

**Re: Local Government Submission to Review of Bus Services**

We refer to the above inquiry and your invitation for submissions from stakeholders and other interested parties.

Please find attached the submission from the Local Government Association of NSW and the Shires Association of NSW. Thank you for the opportunity to present the views of local government on this important issue.

We would be happy to discuss the points made throughout this submission further and look forward to further participation of local government in the inquiry process.

Yours sincerely



Cr Dr Sara Murray  
**President**  
*Local Government Association of NSW*

Cr Phyllis Miller  
**President**  
*Shires Association of NSW*



Local Government  
Association of NSW



Shires Association of NSW

# **Submission to the Review of Bus Services in NSW**

**August 2003**

## **1. TERMS OF REFERENCE**

The Bus Review has been tasked to consider:

- The opportunity provided by integrated ticketing to establish a consistent state-wide fare regime;
- The potential benefits of a network of strategic bus regions across the Greater Sydney metropolitan area which integrate with rail services and other travel patterns;
- Improving the structure of the network to respond to changes in the future capacity of rail, and the future development of the metropolitan area;
- Improved Bus Priority measures, Transitways and other options that may impact on services and suggested desirable service standards;
- Improved use of resources in rural and regional communities to ensure more flexible solutions to local transport needs;
- Funding, contractual and regulatory arrangements and any legislative changes required to implement these improvements; and
- The best mix of recommendations to achieve improvements in a cost neutral manner.

## **2. INTRODUCTION**

The Local Government Association of NSW and the Shires Association of NSW (the Associations) are the peak bodies representing Local Government in NSW to other spheres of government and the wider community. We acknowledge the need for discussions on the issue of public transport and in particular bus service provision, and welcome the opportunity to contribute our views to the inquiry.

In terms of the overall transport task, local government is directly responsible for over 85% of the road network in NSW. This responsibility involves a huge burden of maintenance and capital expenditure and represents a large proportion of the annual budgets for many of our member councils. On the other hand, local government is not a core provider of public transport services and will resist any attempts to shift the cost or responsibility of these services onto our members or the community at large. Nevertheless, we view the provision of efficient, attractive and inexpensive public transport services and networks as key factors in the sustainable social, economic and environmental development of our communities and regions, and look forward to working collaboratively with the State Government and transport agencies towards these aims.

## **3. A PROFILE OF NSW LOCAL GOVERNMENT**

Since February 2001 the number of general purpose Councils in NSW has reduced from 177 to 172 as a result of mergers. Negotiations for further mergers and structural reform of local government continue. NSW councils range widely in population size. Five have a population of less than 2000, one exceeds 260,000. Geography is a major determinant of size. On average, each NSW council has a population of about 38,000. This compares to an average of 28,000 nationally and 61,000 in Victoria, which has easily the largest average population per Council but fewer very large Councils than NSW. NSW runs second to Victoria in council population size.

In 1999-00 NSW Local Government had total revenues of \$5.468 bn, up from \$5.126 bn the previous year. Almost half of total revenue came from rates and other annual charges. Grants made up only 15.5% of the total, indicating a very high level of self-sufficiency overall, but very significant differences exist between Councils. Sydney metropolitan councils typically sourced less than 10% of

revenue from grants while small rural Councils were generally 25-40% grant-dependent, in a few cases, around 50 per cent.

Around 70% of total grants were received directly from the Commonwealth, chiefly in the form of untied general purpose and roads payments, including programs such as Roads to Recovery. Additional grants are received from the Commonwealth for children's services and aged care.

NSW Councils are a major employer generally and are commonly the largest single employer in rural areas. Councils employ around 45,000 people across NSW. Employee numbers on individual councils vary from in excess of 1,000 on some larger urban councils to less than 40 on a number of smaller rural councils. Local Government has seen a very considerable improvement in the quality and skills of its workforce. A particularly important trend has been the broadening of the recruitment base for professional staff, reflecting the wider range of functions to be performed, the demand for higher order management and corporate planning skills, and the removal of restrictive qualification requirements. Councils now routinely recruit from outside Local Government.

#### **4. LOCAL GOVERNMENT PUBLIC TRANSPORT POLICY**

Both of our Associations hold policy positions strongly supportive of public transport within both urban and regional areas of the state, and within an overall integrated planning and land use context. A summary of these policy positions are outlined in Appendix A. Key components of these policies will be expanded upon within our submission.

#### **5. ROLE OF PUBLIC TRANSPORT**

The overall growth of the Sydney and surrounding regions pose major challenges to the achievement of environmental goals and social equity. The continued development of the region's transport system, especially public transport, is crucial to addressing these challenges.

In rural and regional areas of the state, regular, reliable and inexpensive public transport options are required as a feasible alternative to the car for many trips, especially for disadvantaged groups, and to assist promotion of these regions as viable alternatives to Sydney for growth, development and investment.

We acknowledge that the complexity of the transport task in both urban and regional areas will continue to require an appropriate mix of existing transport modes, including heavy rail, light rail, bus, ferry, car as well as walking and cycling. In general terms each of these modes has a competitive advantage over the others for certain type of trips. For example, heavy rail has an advantage for medium-long distance trips, especially to large centres and along corridors of high demand, while cars have advantages where car and roadspace is available, parking is available at the destination and flexibility of trip is required. The key transport planning outcomes should therefore be to encourage and provide the choice of the right mode for the right trip. Public transport has a key role in this equation, and the issues surrounding the modal choices available to our constituents will form the basis of our submission. The equity issue is equally important as choice of mode is a factor not available to many people, either because of their physical location or other reasons such as incapacity, income etc.

## **6. ROLE OF LOCAL GOVERNMENT**

There is no doubt that passenger transport is a key factor impacting on people's ability to access essential services and to actively participate in the community. However it is not core business for local government to provide these services and we would strongly resist any shift of these responsibilities, including any associated costs, across to our sphere of Government. The Passenger Transport Act 1990 provides the framework for the regulation of public passenger transport services in NSW and as such should be seen as a State Government responsibility. Nonetheless councils are willing to be an advocate for public transport in their communities and to assist the State Government to facilitate effective local and/or community transport services, eg through participation on local advisory committees etc but not as the key provider of these services (other than as a contractor provider for some community transport services).

Local Government does however have a key role in land use planning processes, particularly for new land release areas, but also in the design and provision of appropriate public transport infrastructure in town centres and on local roads . We have previously indicated our support for integrated land use and planning policies and await with interest progress in the State Government's implementation of the draft State Environmental Planning Policy No 66 on Integrated Landuse and Transport. However we add our concerns that many of the important elements of these types of policies fall outside the direct responsibility of local government and require significant additional resources to achieve optimum outcomes. Nonetheless there is a vital role for our sector to encourage and work with the State government to achieve positive planning outcomes that provide for genuine modal choice in our communities.

There may also be a significant role for local government in facilitating the development of optimum public transport outcomes on a cooperative regional basis. Such models exist already in the Central Coast and Shoalhaven regions, however, lack of recurrent financing and full-time Human Resources are significant constraints. Dedicated positions are seen as essential at the LGA level with aspects cutting across all levels of government, and across all "private" transport. Such a position would take a Mobility Management role. The expertly supported network of Road Safety Officers in each Council provides a similar proven model. Such a concept could be initiated on a regional basis eg via Regions of Councils, provided appropriate resources were made available by the Government to support these measures.

## **7. OTHER ISSUES FOR CONSIDERATION IN THE BUS REVIEW**

### ***(i) Strategic Issues***

The overall growth of the Sydney and surrounding regions pose major challenges to the achievement of environmental goals and social equity. The continued development of the region's transport system, especially public transport, is crucial to addressing these challenges.

In rural and regional areas of the state, regular, reliable and inexpensive public transport options are required as a feasible alternative to the car for many trips, especially for disadvantaged groups, and to assist promotion of these regions as viable alternatives to Sydney for growth, development and investment.

### ***(ii) Equity Issues***

The equity issue is equally important as choice of mode is an option not available to many people, either because of their physical location or other reasons such as incapacity, income etc.

Concerns have also been raised that fare subsidies, including pensioner discount fares, are not evenly available across the state, and in fact discriminate against those living outside the Sydney Cityrail / State Transit Authority areas of operations. People living within areas of private bus operations in both Sydney and regional areas face an inequitable fare and discount structure in comparison. An extension of the discounted fares to all areas of the State with a simultaneous fare increase to this popular mobility incentive may be a sensible compromise. There ought not to exist a situation where pensioners in one area of the state are subsidising those in other areas. Equity across the state should be the preferred outcome.

Many public transport users in remote locations, on low incomes or in disadvantaged groups are adversely affected by fare increases as they have little alternative transport available. Similarly the differing fare and ticketing regimes both within Sydney and in regional areas provide an inconsistent and inequitable revenue base

### ***(iii) Accessibility Issues***

There is no doubt that passenger transport is a key factor impacting on people's ability to access essential services and to actively participate in the community. However it is not core business for local government to provide these services and we would strongly resist any shift of these responsibilities, including any associated costs, across to our sphere of Government.

Councils have a role in the provision of appropriate accessible transport infrastructure within their local areas. This includes bus stops, shelters, signage, placement of streetside furniture and road access for low-floor buses, as well as larger projects such as town centre bus/transport interchanges. Local Government is prepared to work with the State Government to determine the relevant resources necessary for these initiatives

Many of our member councils, especially those in regional areas of the state but also in outer areas of Sydney, have expressed concern at the availability and accessibility of public transport within their communities, particularly regarding:

- service frequencies including provision of weekend or evening services, and
- services to outlying centres without access to existing transport.

### ***(iv) Integration Issues***

Local Government has been consistently critical of the lack of integration between agencies and spheres of government. This criticism has applied across all areas of government activity and responsibility, however it is particularly conspicuous in transport. The case for better integration is easily made. The issue is building the mechanisms to embed an integrated or whole of government approach. Recent changes to the transport portfolio responsibilities in NSW have addressed these concerns in some areas, such as between land use and natural resource planning and transport planning, but have entrenched the disparities in others. For example the splitting of the previous Transport Ministry has left responsibilities for planning with one minister, transport services such as rail and bus regulation with another, and roads administration with a third. This has exacerbated the tendency for public transport regulation and finance to become largely supply-side defined, ie separate policy directions for rail, bus, ferry, road, planning, etc. Ideally public transport policy should be directed within a single overall framework independent of modal type.

Local Government is committed to the promotion of effective public transport options in their communities and is prepared to work with other spheres of government on an individual, regional or whole-of-state basis. Existing school/workplace travel plans, local transport plans and regional transport strategies are rarely knitted together in a comprehensive integrated structure. Such processes and

policies encourage more sustainable transport behaviours and should therefore be encouraged and overseen at a State Government policy level.

Many regional areas of the State are not served by CountryLink rail or coach services, and provision could be made for local operators to provide fare, ticketing and timetabling integration and interoperability with connecting CountryLink Services at strategically convenient locations. This could encourage a genuinely integrated public transport network across the state.

**(v) *Planning Issues***

Local Government requires commitment to integrated transport and landuse planning arrangements which provide for appropriate public transport access in new land release areas, including developer contributions. Local Government sees the inclusion of public transport options as a vital component of development, but on the clear understanding that no commitments can be made without the provision of appropriate financial resources from the State Government.

Councils have a role in the provision of appropriate road access and streetside facilities for bus services, especially in relation to requirements under the Disability Discrimination Act (ie low floor bus access to local roads, accessible bus stops, signage etc) but require additional resources to fulfil these responsibilities.

**(vi) *Service Level Issues***

Our constituents require services which encourage public transport use – policies and practices which actively seek to attract users away from cars and into public transport by addressing the key factors which influence modal choice, eg:

- Frequencies which are both convenient and reliable;
- Services which are perceived to be clean, comfortable and safe;
- Fares which are considered to be value-for money;
- Inter and intra-modal connectivity, including ticketing, scheduling and (absence of) complexity;
- Provision of easy to understand customer information – timetables, signs, service information, driver assistance
- Increasing capacity through new infrastructure, investment in new capital equipment, bus priority lanes etc.
- Improving access for regional communities – operational issues which address the disadvantages faced by rural and regional communities.
- Examination of the appropriateness of many existing bus networks based on broad spatial coverage but with limited frequencies. Alternatives could include identification of more strategically significant cross regional corridors served by a higher level of service in terms of frequency and quality, with feeder services catering to the lower level spatial areas. Local Government is supportive of bus priority measures such as transitways and dedicated bus lanes aimed at achieving these outcomes. We would be keen to work with the State Government towards these aims provided appropriate additional financial resources are made available. State government commitment is however required to fund the acquisition of strategic properties to enable the provision of alternative parking facilities if bus priority lanes are to be promoted in built-up areas and/or major shopping strips.

**(vii) *Financial Issues***

The external benefits of public transport should form a major component of the financial analysis of public transport, eg through reductions in congestion and environmental costs, improvements to property values along key transport corridors, reductions in traffic levels and road accidents etc. Contrary to the recent StateRail submission to IPART regarding the 2003 CityRail Fare Review, we

believe these externalities justify a centralised funding regime from overall Government taxation rather than by increases to existing farebox revenue. This is because the external benefits are clearly available to the whole community, not only the users of public transport, and therefore the responsibility for funding these benefits should not rest solely with the user of the services.

Issues relating to the quality and service levels of public transport have been identified as key factors influencing modal choice. However the notion that fare levels should be firstly increased to enable the necessary quality improvements to be made is clearly a nonsensical argument and an exploitation of the monopolistic characteristics of much of the public transport market. Public transport users cannot be expected to pay increased fares on the basis of some future improvements to service, any more than a price increase for a product in a private sector competitive market situation could be justified ahead of an improved product actually being available. The recent debacle with the much vaunted Millenium Train illustrates the risks associated with this approach. Improvements to service levels and quality of public transport together with competitive fare structures are needed in place as inducements. Increases to fares without these improvements, or with a 'promise' that the improvements may take place some time in the future sends the wrong message to the market and would be unlikely to attract existing car users away from their motor vehicles.

### ***(viii) Regulatory Issues***

Existing legislative and regulatory framework for scheduled and school bus services should be modified to allow for a more flexible approach to the delivery of services especially in regional areas, and to encourage or provide incentives for innovation of services. For example, many of our member councils have expressed concern at the absence of available transport to remote settlements or for basic community and health transport tasks, when in many cases there exists an existing fleet of school and/or scheduled buses sitting unused for large proportions of time. This could also include an increased level of cooperation between operators across different contract areas.

Incentive-based mechanisms for growing the bus market delivered through regulatory processes, such as competitive tendering, performance based contracts etc should be explored. This could include for example the need for early introduction of high quality bus services in newly developed areas as an inducement for public transport use.

### ***(ix) Community Transport Issues***

Firstly it is necessary to acknowledge that Local Government plays a modest but vital role in Community Transport alongside State Agencies and the non-government sector.

The issue of community transport is one of high importance to many of our member councils particularly in rural and regional areas. Whilst this issue cuts across a number of portfolio areas including Community Planning, Ageing and Disability and Transport, one consistent theme is that much demand arises through the need to access health and medical services.

Our members have expressed that increasingly smaller communities are finding it difficult to provide community transport to allow for access to those health, recreational and social facilities not catered for within their town.

Current funding for community transport is not adequate and the volunteers who are called upon to keep the service operating are virtually undertaking a full time position to do so. The cost of having to do this is high and inequitable when compared to people living in larger centres or cities with higher accessibility to public transport. In some areas the burden for transporting people to services that have

regionalised has fallen on local government and there is considerable pressure on councils to extend their involvement in this way.

Local government is not and ought not to be considered a core provider of these essential transport services, but rather to act in a facilitation role. We believe there is a need for a fairer and more equitable system of community transport involving a partnership between State and Local Government together with the expertise of health service professionals and community service providers with a view to formulating a plan that would provide for adequate community transport within smaller communities.

In Aboriginal communities especially, the lack of public transport creates a greater reliance on the use of private transport and is a major impediment to mobility to those households that have no or only limited access to a vehicle. Consultations with Aboriginal communities revealed that the impact of not being able to access transport not only presents a barrier to Aboriginal and Torres Strait Islanders accessing necessary health care, but also interferes with the continuity of carers where follow up is important. In a number of other areas it has been stated that; “unless you were frail aged you had no chance of gaining access to transport”.

## **8. CONCLUSION**

Local Government recognises the importance of public transport as a vital component of the overall transport task. The provision of public transport contributes not only to the long-term sustainability of our communities, but also provides vital access to those people in remote locations or in disadvantaged groups. We look forward to working collaboratively with other tiers of government towards these aims. We would like to take this opportunity to express our appreciation for the opportunity to provide the views of local government in NSW to the Inquiry. If you have any questions about our submission, please contact Richard Connors, Roads and Transport Policy Officer, on 02 9242 4000 or email: [richard.connors@lgsa.org.au](mailto:richard.connors@lgsa.org.au).

## **Appendix A**

### **Existing Local Government Policies re Public Transport / Bus Transport**

- Local Government supports the concept of “Demand Management” in urban areas by restraining traffic growth through certain policies, traffic management, bus priority lanes and car pooling. However, any policies must fully consider the impacts on social equity and availability of public transport.
- Promoting ecologically sustainable transport networks
- Reducing vehicle emissions and improving air quality
- Reducing traffic congestion and promoting higher costs for use at peak times and lower non-peak usage costs
- Reducing car dependent travel
- Integrating and promoting public transport usage and cycling while ensuring that these forms of transport are exempt from the toll.
- The concept of a "best transport option" where no one particular mode of transport is appropriate for all situations.
- Implementation of an accessible and integrated transport system in conjunction with land use planning to ensure economic development, social cohesion, environmental sustainability and employment growth
- Multi-modal ticketing as a priority in urban transport reform and improvements to the integration of different state transport authorities
- An integrated transport system is needed to minimise the adverse health and environmental health effects of private and public transport.
- Public transport should be promoted as an alternative to private transport, especially for journeys to and from business centres.
- Local Government needs to become pro-active in improving the interaction between land-use and transport and to improve the transport services available to local communities and business
- Local Government needs to facilitate the development of a diverse and accessible transport system integrated with land use planning
- Strategic planning by local councils to give consideration to linking housing and commercial development with parking around public transport nodes
- Planning instruments to facilitate and encourage the development of public transport as an alternative to private transport, especially for journeys to and from business centres