



Submission

Standing Committee on Planning and
Environment

Inquiry into ACTION Buses

June 2007

TABLE OF CONTENTS

Introduction	4
Executive Summary	4
1.0 BACKGROUND.....	7
1.1 Inquiry terms of reference	7
2.0 PASSENGER TRANSPORT	7
2.1 Passenger Transport in Australia	7
2.2 Passenger Transport in ACT	8
2.3 Passenger Transport Provided by ACTION	8
3.0 SUSTAINABLE TRANSPORT PLAN	10
4.0 MEETING COMMUNITY NEEDS	12
4.1 ACTION’s customers.....	12
4.2 Rural school bus services	13
4.3 Patronage.....	13
4.4 Service area	15
4.5 Service levels and design principles	16
4.6 Network 06	17
4.7 Safety and Security	18
4.8 Customer Satisfaction.....	19
5.0 FARES.....	21
5.1 Introduction	21
5.2 Concession fares	22
5.3 Student Transport Program.....	22
5.4 Fare determination.....	23
6.0 ACTION SERVICES	24
6.1 Operating efficiency	24
6.2 Productivity	25
6.3 Fleet.....	25
7.0 STATE COMPARISONS	27
7.1 State relativities.....	27
7.2 State operational and financial comparisons (Benchmarking)	27
7.2.1 Cost Gap Analysis– Salaries. Wages and Payroll on-costs.....	27
7.2.2 Operational Performance.....	29
7.3 State by state comparative analysis.....	31
7.3.1 Unit Cost Comparisons.....	31
7.3.2 Spread of Hours	33
7.3.3 Revenue per Kilometre	34
7.3.4 Cost per Kilometre	34
7.3.5 Farebox Revenue	35
7.3.6 Patronage Density.....	35
7.3.7 Revenue and Farebox Recovery	36
7.4 Fares Comparison.....	37
8.0 KEY PRIORITIES FOR FUTURE SERVICE PROVISION	38
8.1 2007-08 Budget initiative	38
8.2 Service Improvement Plan	38
8.3 Benchmarking – update of the 2003 / 04 benchmarking report	39

8.4 Bus Fleet Replacement.....	39
8.5 Closed circuit TV Cameras and Depot Security	40
8.6 Feasibility study Replacement Ticketing System.....	40
ATTACHMENT 1 – Minimum Service Levels.....	41
ATTACHMENT 2 – School Student Transport	43
ATTACHMENT 3 – ACT Government Policy for the Provision of School Bus Services.....	45
ATTACHMENT 4 – Additional Services.....	50
ATTACHMENT 5 – ACTION Fares Schedule	52

Introduction

The Government is committed to an efficient and affordable public bus service that meets the needs of the community. The Government welcomes the inquiry as it will contribute to an increased understanding of the operations of the bus service including constraints in meeting peak services, service levels, the relative efficiency of the service and the contribution made by passengers towards the cost of the service. The inquiry should allow the community to indicate its priorities for the equitable allocation of the available resources to meet the needs of ACTION's customers, including adults travelling to work, students travelling to and from school and those using the service after hours and at the week ends. The inquiry will also provide an opportunity for the Government to outline recent improvements to bus services and the work that is currently underway to provide a strong foundation for the delivery of services in the future.

Executive summary

The Government understands the importance of an efficient bus service, and the role it can play in the transport system. Effective passenger transport provides people with access to employment, goods and services, and opportunities for social and cultural interaction. For some, the bus service is the only mode of transport and the service levels provided impact on their ability to participate in the community and access services. The Government also understands that for most in the community the private car will continue to be the main mode of transport and will facilitate this transport through the provision of an appropriate road network and adequate parking facilities.

ACTION, a business unit of the Department of Territory and Municipal Services, provides the following services:

- Regular route services and dedicated school services providing a range of express and route services to and from all suburbs;
- a special needs transport service, which is a door to door service for clients of the Department of Education and Training and the Department of Health; and
- charter bus services for schools, sporting bodies and other organisations hosting Territory events and festivals.

Around 50% of students who travel to school on an ACTION bus, travel on regular route services, while others travel on dedicated school buses. The provision of regular route and dedicated school bus services presents a significant logistical challenge for ACTION as the available resources are stretched to meet the demands of both school students travelling to and from school and adults travelling to and from work at around the same time of day. On an average week day, over 66% of ACTION passengers are carried in the morning and afternoon peaks (from 7am to 9am and 3 pm to 6 pm). All buses are fully utilised at these times leaving no flexibility to provide additional services.

Additional services for students living in rural areas of the ACT are provided under contracts with commercial bus operators. Where a service cannot be provided for these students, a conveyance allowance is paid to assist parents with the cost of transport.

In 2005-06 ACTION had 16,928,000 passenger boardings compared to 16,240,000 in 2004-05. This represents an increase of 688,000 boardings or 4.2%. The most significant increase was in adult passengers boardings (12%) with a small reduction in student boardings. Adult patronage has continued to grow in 2006-07 (at a reduced rate), with small reductions in both concession and student boardings.

ACTION operates its services with reference to minimum service standards and policies for the provision of school services. The school transport policies ensure among other things that set down and pick up times are in line with school requirements. Guidelines also exist for the provision of dedicated school services. A reconstituted School Transport Liaison Committee will provide a consultative forum for school services.

The Grants Commission has assessed that the ACT expends more on public transport than most other jurisdictions. The Commission considers that the higher than average level of expenditure is due either to higher than average service levels or inefficiencies.

The Government is aware through work undertaken by the Independent Competition and Regulatory Commission (ICRC) and independent benchmarking that the ACTION bus service is not fully efficient. On this understanding and in view of the Territory's overall financial outlook, the Government reduced ACTION's funding in the 2006-07 budget to drive reforms to deliver better value for money services. The Government also abolished the ACTION Authority to make the service more directly accountable to the Government.

Since that change, ACTION has made significant savings through restructuring and reducing corporate overheads. Further savings to achieve improved efficiencies in fleet maintenance and bus operations will need to be achieved in consultation with ACTION employees and through changes to work processes.

ACTION regularly reviews its network to determine whether changes are required. The 2006 review, Network 06, took into account the parameters of funds available, fleet, and the Certified Agreement. To operate within available budget and better match resources with demand, a number of services were modified or removed based on low level of demand for those services. Some of the services modification made as part of Network 06 saturated patronage on some services. Service adjustments, including the introduction of new services were made on 5 February and 30 April 2007.

Incidents of occupational violence on ACTION employees has reduced compared to the same period last year. ACTION has and will implement a range of measures to further strengthen the safety and security of employees and the public.

According to a recent independent survey, customer satisfaction with the services that ACTION's provides is 71%. Satisfaction with personal safety and drivers rated at 86% and 88% respectively and with satisfaction with timetables 49%.

Recent benchmarking demonstrates that ACTION services are more expensive than best practice private operators and most public operator, particularly in relation to labour costs and dead running (empty buses coming from or returning to a depot).

Labour costs are a function of higher wages paid in the ACT (which are largely unavoidable), the efficiency of the work processes used to deliver ACTION services and the maximum utilization rate for ACTION facilities, including depots. Changes to ACTION work processes, in consultation with the affected staff, will have a positive impact on labour costs. It should be noted that changes to infrastructure and facilities may be required to achieve further reductions in dead running.

Since 1999 fare determinations made by the Independent Competition and Regulatory Commission have not kept pace with the cost increases incurred by ACTION. Passengers contribute 21.6% of the cost of the bus service through the fare box, the remainder is met by the community via the ACT Budget. In other jurisdictions a recovery rate of around 50% is not uncommon. It would seem reasonable that in the long term the ACT fare box recovery rate should be increased. The additional funds could be used to support higher levels of service and / or reduce the call on the ACT Budget.

In the 2007-08 Budget, the Government announced \$16.445 million in capital funding and \$2.0 million in recurrent funding to improve ACTION bus services. The capital funding will be used to replace the existing ticket system, replace 18 buses, and complete the installation of security cameras on exiting buses. Recurrent funds will support new services in 2007-08 and improvements to security at interchanges as well as major maintenance to extend the life of selected buses.

ACTION has commenced work to develop a Comprehensive Service Improvement Plan for a new network. The plan will be based on a boarding and alighting count, community consultation and a comprehensive customer survey. The count will show the exact numbers of passengers boarding and alighting at each stop in the network on a typical weekday. Community consultation and customer survey will provide the opportunity for the community to provide feedback regarding their specific travel needs. Previous customer feedback regarding Network 06 will also be included in this process. This project will assist ACTION build a network that better meets the needs of the community now and into the future. Work will also be undertaken to develop a long term fleet replacement strategy that will provide for the regular replacement of the ACTION fleet on an economic and sustainable basis.

1.0 BACKGROUND

1.1 Inquiry terms of reference

The ACT Assembly has agreed to the following terms of reference for an inquiry into services provided by the Government bus operator ACTION (ACT Internal Omnibus Network).

“Inquire into and investigate the services provided by ACTION buses, specifically:

- examining how well it meets the needs of different segments of the community while recognising that ACTION’s role is a mass transport provider;
- incorporating comparative analysis of other bus transport operators in Australian jurisdictions;
- focussing on ACTION’s services within the context of the sustainable transport plan with particular reference to: (i) the appropriateness of the plan especially targets; (ii) progress towards implementation; (iii) measures needed to ensure targets are met; and
- providing guidance on principles and key priorities for future service planning.”

2.0 PASSENGER TRANSPORT

2.1 Passenger Transport in Australia

Australia’s transport networks and systems are a valuable asset that makes a significant contribution towards the nation’s economic performance, international competitiveness, and to personal accessibility and social cohesion.

Providing people with safe, convenient, efficient and affordable ways to travel is a central objective for the transport system. Effective passenger transport provides people with access to employment, goods and services, and opportunities for social and cultural interaction. It is a major enabler of the service economy – for example tourism. Passenger transport helps to connect individuals, communities and the nation.

The respective roles of governments in the delivery of passenger transport in Australia have evolved over many years. Often, these roles are historically defined. In practice, each level of Government in Australia – Commonwealth, State and local makes both direct and indirect contributions to the passenger transport task. They do this through a variety of policy, regulatory, infrastructure and organisational mechanisms.

Overall responsibility for planning public and private transport is a State/Territory Government responsibility. Transport and planning agencies in Australia are dependent on State/Territory budgets for funding and must compete with other priorities of Government for scarce budgetary resources to increase spending on public transport needs.

The Australian Passenger Transport Group (APTG) was established by the Standing Committee on Transport (SCOT) to provide advice, leadership and support on

passenger transport policy and strategic issues. The APTG provides SCOT with advice on passenger transport strategy, policy issues, and responds where national attention adds value.

The key principle for the group is to develop sustainable passenger transport in Australia. In pursuing this goal the APTG seeks to influence and shape the overall task of moving people in Australia. In this context, passenger transport accessibility, mobility, and sustainable car use all receive attention.

APTG has the following sub groups; Accessible Public Transport National Advisory Committee (provides advise on accessible transport issues); Taxis regulators; and Bus regulators. The ACT is represented on the APTG and the sub groups as resources permit.

2.2 Passenger Transport in ACT

Getting transport right is a critical part of ensuring the ACT has a successful, sustainable future. An efficient transport system promotes economic growth, allows all people to rapidly, safely and cheaply access the jobs and services they need and keeps business costs down.

In the ACT, the car is the single dominant transport mode with a very limited role for public transport, walking and cycling. While this transport imbalance has personal advantages, on the negative side, it has major economic costs; financial, health and environmental. This transport mix with car domination is a major cost for ACT families; around 14% of total expenses. Annual travel cost of car users is more than \$1.7 billion as opposed to \$93 million for bus users².

In addition to the direct financial costs of running a motor vehicle, there are additional externality costs associated with the emission of CO₂-equivalent gases. Car transport is the ACT's second largest contributor of greenhouse gas emissions, emitting over 900,000 tonnes of CO₂-equivalent gases each year. This is estimated to be about \$18.9 million based on a cost of \$21 per tonne. It is likely that in the longer term this cost could rise to around \$50 per tonne. Deaths from vehicle pollution are estimated to cost the ACT around \$8 million each year, or 6 lives³. Motor vehicle accidents cost the ACT community and Government around \$120 million each year.

2.3 Passenger Transport provided by ACTION

ACTION, a business unit of the Department of Territory and Municipal Services, provides the following services:

- public bus network and school services providing a range of express and route services to and from all suburbs;
- a special needs transport service, which is a door to door service for clients of the Department of Education and Training and the Department of Health; and

² Costing of Passenger Transport in the ACT, July 2003, SKM

³ BTRE, 2005, Health Impacts of Transport Emission in Australia: Economic Costs, Working paper no. 63, DoTARS, Canberra.

- charter bus services for schools, sporting bodies and other organisations hosting Territory events and festivals.

ACTION carries approximately 17.0 million passengers and operates about 23.4 million kilometres per year. ACTION provides 2290 in-service trips per weekday, which includes 597 (26.06%) accessible trips per weekday.

ACTION operates from two depot/workshop locations, Belconnen in the north and Tuggeranong in the south, with the corporate section located at Macarthur House, Lyneham.

ACTION's staffing as at 31 March 2007 was 774 with an FTE value of 678.6. The majority of staff (71.32%) are employed as Bus Drivers– there were 552 Bus Drivers with an FTE value of 476.3.

As part of the 2006-07 Budget decisions, the ACTION Authority was abolished and became integrated into the new Department of Territory and Municipal Services. ACTION is now a business unit within Enterprise Services Network of that Department.

ACTION operates with a budget of \$81.460 million including \$19.067 million in fares and other charges, \$61.7 million in funding from the government including \$1.9 million in contract payments for special need transport services and around \$0.7 million from other sources. Employee and superannuation expenses make up around 70% of total expenditure less depreciation expenses. Details of budgeted revenue and expenditure for 2006-07 are set out in the following table.

ACTION OPERATING BUDGET 2006-07

	Budget \$'000
Revenue	
User Charges - Non ACT Government	19,067
User Charges - ACT Government	61,671
Grants from the Commonwealth	494
Interest	178
Resources Received free of charge	50
Total Revenue	81,460
Expenses	
Employee Expenses	47,307
Superannuation Expenses	7,689
Supplies and Services	23,278
Depreciation and Amortisation	6,218
Borrowing Costs	883
Other Expenses	437
Total Ordinary Expenses	85,812
Operating Result	-4,352

3. SUSTAINABLE TRANSPORT PLAN

Public transport is a key component of the Government's Sustainable Transport Plan (STP); for most people, for most trips, public transport is the most viable alternative to the car. The Plan requires public transport to increase its share of trips to work from 6.7% in 2001 to 9% in 2011 and 16% in 2026.

The Plan sets targets and actions for achieving a lower-cost, more sustainable transport system over twenty-five years. Key aspects of the Plan are:

- It has estimated benefits of between 2 and 3 times the implementation costs.
- It considers all costs, not just financial costs – health and environmental costs are given equal weight.
- It proposes a shift away from car use, but recognises that the majority of trips will still be by car.
- It proposes a mix of infrastructure and non-infrastructure measures.
- Targets are set to be aspirational but affordable, recognising that the ACT is a small jurisdiction with significant financial constraints.
- Its integration with the Canberra Spatial Plan and consideration of a broad range of measures in an integrated way is best practice, clearly ahead of other Australian cities.

The STP notes that the current car-dominated transport system costs more than \$2 billion each year to the ACT community. The transport externalities for cars and buses are \$218 million and \$5.4 million respectively. The STP aims to reduce car use from its current level of 87% of work trips to 70% in the long term. This will reduce:

- congestion by around 30%;
- greenhouse gas emissions and air pollution by around 14%;
- vehicle-operating costs by 13%;
- travel time by 6%; and
- road accidents by 3%.

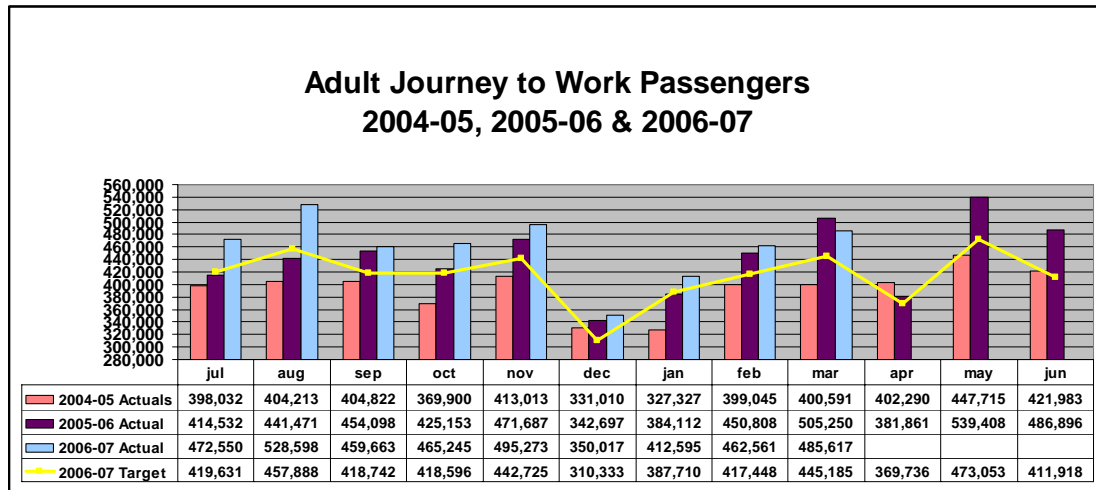
The Sustainable Transport Plan sets aspirational targets for increases in journey to work travel by public transport. The following table sets out the Sustainable Transport Plan annual modal percentage targets for journey to work attributed to Public Transport:

Sustainable Transport Plan annual targets

Year	Percent
2004-05	7.50
2005-06	7.75
2006-07	8.00
2007-08	8.25
2008-09	8.50
2009-10	8.75
2010-11	9.00
2025-26	16.00

The Plan’s target for 2006–07 is 8.00%, or 4,972,965 boardings. Adult journey to work trips for March 2007 was better than target by 40,000 boardings, reflecting the growth in the “journey-to-work” market over the last few years. The year to date outcome is up 414,000 against target.

The following table records monthly adult patronage for 2004-05, 2005-06 and 2006-07 year to date against the Sustainable Transport Plan target for 2006-07.



The Sustainable Transport Plan targets for modal share were established in 2001 and have been indexed by population growth. The journey to work targets under the plan will be re-assessed when the results of the 2006 census become available later this year. The methodology applied to calculate the journey to work trips taken by public transport will also be examined at that time to ensure that it provides the most appropriate measure.

4 MEETING COMMUNITY NEEDS

4.1 ACTION's customers:

ACTION has three main customers:

- Adult workers – regular route services in peak period
- School students – regular route services and dedicated school services in peak period
- Community – off peak / inter peak route services

Adult workers – peak period

The route network and school network rely on the use of the same buses and drivers. In the peak periods all of ACTION's available resources, ie buses and drivers, are utilised.

Adult patronage has continued to grow placing more demand on ACTION's resources. Passenger loading capacity on buses includes a proportion for standing. For example, the load capacity of three bus types part of ACTION's fleet are, Irisbus Rigid – total 77 passengers: 46 seated and 31 standing; Renault Rigid PR 100.3A – total 71 passengers: 43 seated and 28 standing; Scania Rigid – total 62 passengers: 45 seated and 17 standing. Canberrans are not used to standing on buses whilst traveling to and from work. With increased adult patronage in the peak periods, ACTION has received many complaints from customers now having to stand.

Since the introduction of the new network ACTION has monitored patronage levels on services to ensure appropriate loadings are on the buses. A number of augmented services have been introduced to alleviate capacity issues.

School students

Over 50% of students carried on ACTION buses use route services to travel to and from school, with the remainder carried on dedicated school buses. Dedicated school bus services follow a regular timetable and route, and are available to school students only, not the general public. (Parents may travel with young children to assist them to get used to bus travel.)

ACTION has a limited bus fleet and drivers from which to allocate buses to a dedicated school service. The efficient use of ACTION's resources demands that only school bus services with strong patronage be operated as dedicated services. Demand is sufficient to warrant consideration of providing a new dedicated service where the needs of at least 27 students (around 2/3 of the bus) can be accommodated by such a service. Where there is a lower level of demand, consideration is given to combining school services for geographically proximate schools with similar start/finish times, or through a service to a major interchange.

Community – off peak / inter peak

It is ACTION's challenge to provide a reliable off peak / inter peak bus service for the community that best meets demand and resources. Prior to Network 06 ACTION was supplying enough buses in the inter peak to carry approx. 8,000 passengers per hour, with patronage of approx. 2,300 passengers. This was an over servicing of 70% capacity. This matter is discussed further in section 4.6 under the heading of network 06.

One of the issues ACTION is currently addressing is service reliability on weekends, due to driver shortage. Under ACTION's current Certified Agreement drivers are paid a composite rate in lieu of overtime on the basis that they work a reasonable number of weekend shifts. However, due to drivers not volunteering to work on weekends, ACTION has to employ relief drivers to cover the shifts. The cost of a relief driver is around 17% higher than a full time driver. The use of relief drivers adds to the cost of providing ACTION's services and ultimately reduces the number of services that could otherwise be provided.

4.2 Rural school bus services

The Department of Territory and Municipal Services contracts private bus operators to provide School Bus services for students residing in rural areas of the ACT. These services cater for students in the Tidbinbilla/Uriarra, Tharwa, Hall and Majura Road areas. The contracts provide for the carriage of a maximum of 154 students. On average 96 students were carried in 2006. Responsibility for these contacts transfers to ACTION on 1 July 2007.

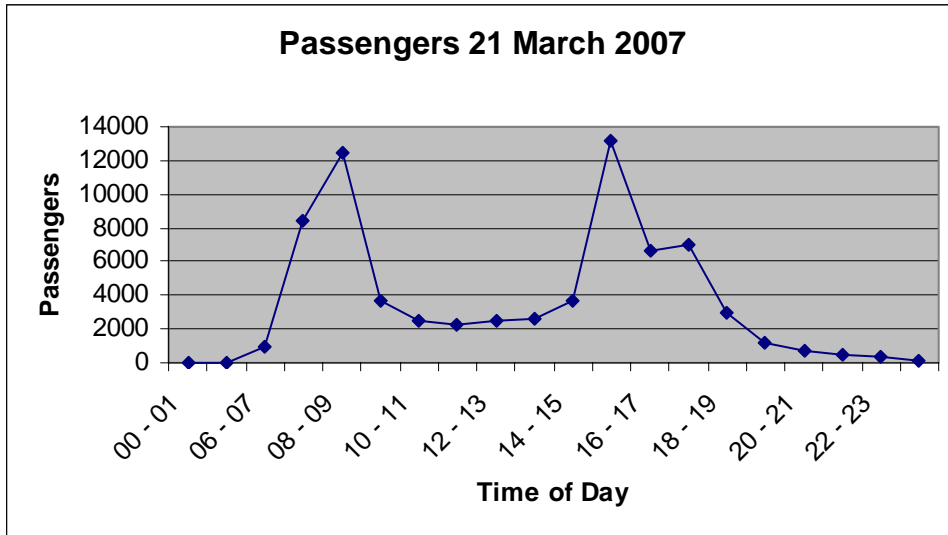
Students pay fares equivalent to ACTION student fares, with the revenue retained by the operator. These contracts cost the Government \$300,000 per annum.

Separate to the provision of bus services, rural residents may also access the 'Conveyance Allowance' which partially reimburses rural families for the cost of transporting their children to the nearest school or bus stop, whichever is closer to the home. At present 10 families are registered for the allowance.

4.3 Patronage

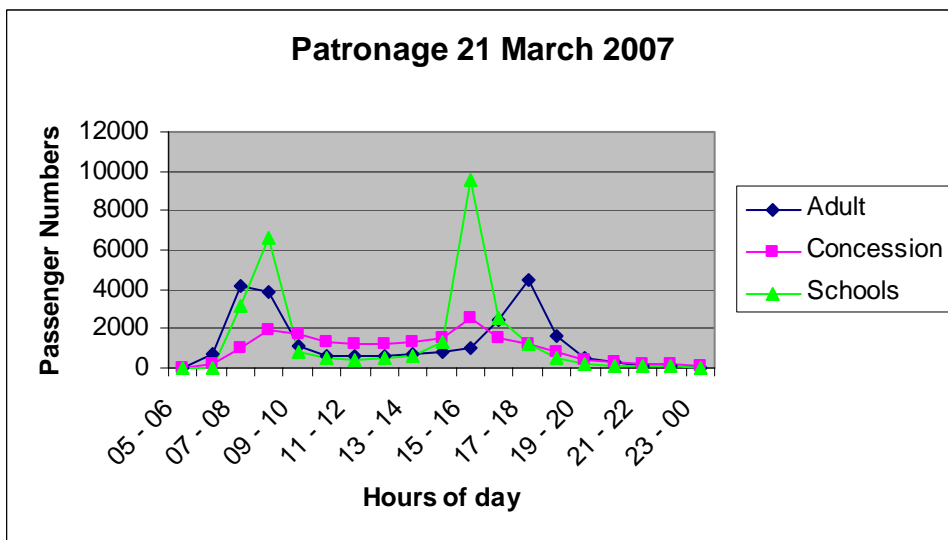
ACTION services on a week day have two very pronounced peaks (from 7am to 9am and 3 pm to 6 pm). During these five hours ACTION carries 66% of passengers for the day, with 34% carried in remaining 11 hours of service. All buses are fully utilised in both the AM and PM peak leaving no flexibility to provide additional services at this time.

The following graph illustrates the number of passengers carried on a typical week day (actual patronage on 21 March 2007 has been selected as an example) and highlights the passengers carried in the morning and afternoon peaks. It should be noted that the graph shows the time at which the bus is boarded (ticket validated) and does not reflect the duration of the journey or the utilisation of the fleet. Some services extend for up to two hours.



Passenger boardings by time of day

The following graph provides a breakdown of the patronage shown above by category of passenger. It will be noted that while adult patronage peak in the AM and PM are about the same, student patronage has a much higher peak in the PM. This is likely to be a result of parents dropping off their children in the morning on their way to work.

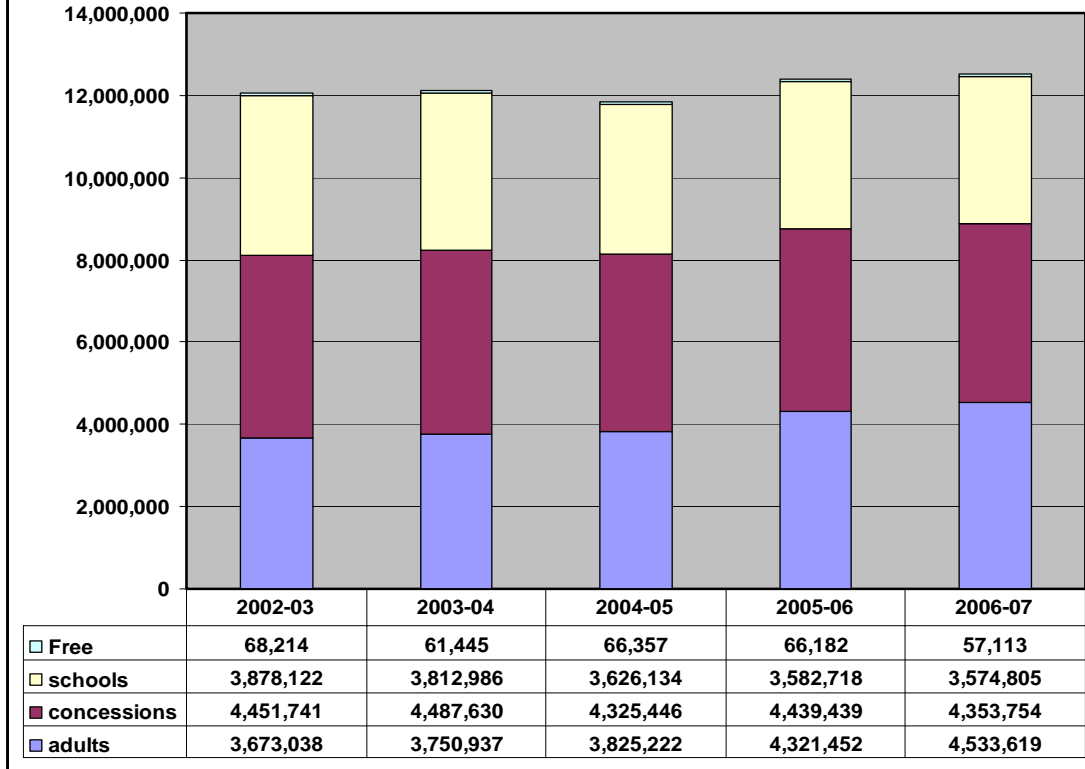


Passenger boardings by time of day – by passenger category

In 2005-06 ACTION had 16,928,000 passenger boardings compared to 16,240,000 in 2004-05. This represents an increase of 688,000 boardings or 4.2% per annum. There was an increase of 12.4% in adult passengers, a 1.9% increase in concession passengers and a fall of 1.3% in school passengers.

The following table shows patronage year to date by category type, as at March 2007. Adult patronage increased between 2005-06 and 2006-07, possibly due to the increase in the price of petrol. Over the same period there was a slight reduction in schools and concessions travel. Over all patronage is now largely flat.

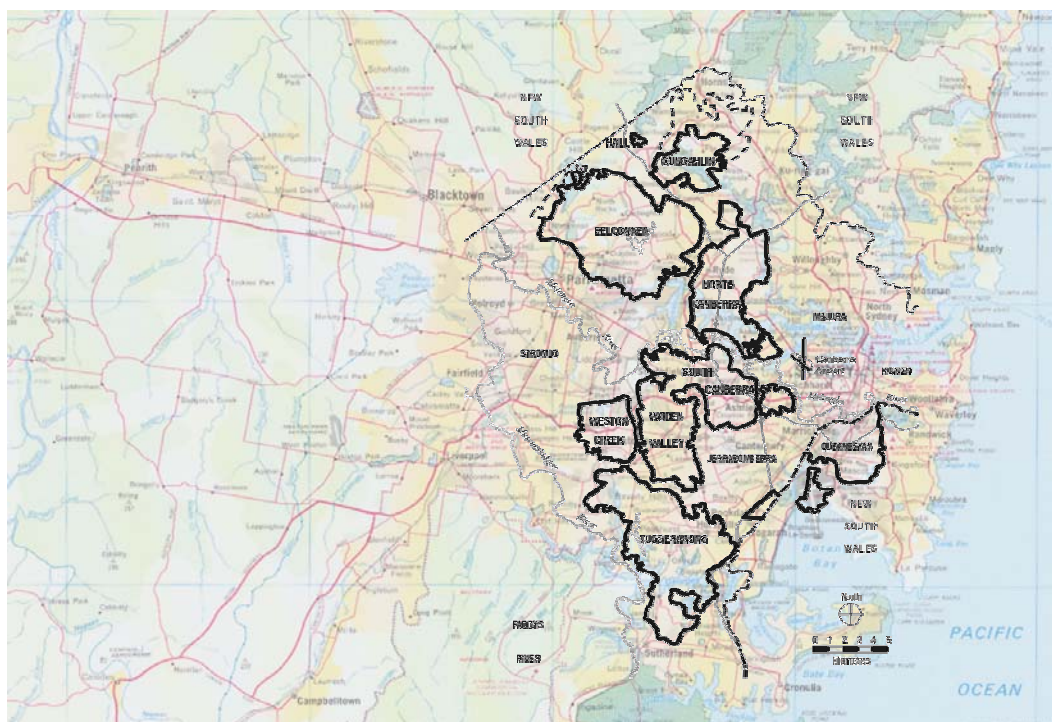
PATRONAGE YTD AS AT MARCH BY FINANCIAL YEAR



Patronage Year to Date by category – as at March (by financial year)

4.4 Service area

The diagram below overlays the ACT land radius on a map of Sydney:



The ACT land radius extends from Hornsby to Cronulla. This comparison illustrates that the coverage of ACTION's services is similar to Sydney with a significantly lower population density - Canberra has a population of approx. 320,000 compared to Sydney's approx. 4.5 million. This increases the distance travelled and therefore the cost of travel. Also, in Canberra there is less turnover of passengers for each service with many passengers staying on the bus for the length of the service. This results in lower fares revenue.

4.5 Service levels and service design principles

ACTION's service levels have been based on the minimum service levels specified in the contract between the (then) ACTION Authority and Department of Urban Services. Attachment 1 refers. These minimum service levels were based on service levels operating in NSW. ACTION's services now meet or exceed these service levels, with the exception of span of hours and the standard relating to the distance from bus stops. Travel time relative to a car is no longer measured. ACTION's decision to modify the span of hours in the off peak period was due to the low level of patronage demand. The service levels will be formally reviewed following the development of a comprehensive service plan, over the coming months.

The contract between the ACTION Authority and the former Department also specified service levels for school services in the Territory. Attachment 2 refers. These standards include the requirement that School bus services will:

- arrive at schools no earlier than thirty (30) minutes before, and no later than five (5) minutes before, the notified start of classes; and
- depart schools no earlier than five (5) minutes after, and no later than thirty (30) minutes after, the notified time classes end.

A separate policy document has been prepared as a guide to the provision of school bus services. Attachment 3 refers. This policy is consistent with the schools service level document referred to above and provides greater details on the rationale and process for providing additional school bus services. The policy document notes that the demand for bus services in the morning peak places a constraint on the number of school services that can be offered.

Students attending schools that are not geographically proximate to their home may be required to travel to school using regular route services, by interchanging to a dedicated school service, or by private means, due to the lack of demand for, or impracticality of, direct school services to more distant schools.

A renewed school transport liaison committee, managed by ACTION will assist with the planning of school transport services, in line with a similar committee that operated until early 2006. The Committee will include representatives from the Dept of Education and Training, government and non-government schools, their school Parent and Citizen Associations and the Transport Worker's Union.

Each year the ACT Department of Education and Training provides ACTION with enrolment information to assist with planning for the subsequent year's school bus services. Despite thorough planning, issues arise regarding the school services during

the first few weeks of a new school year. ACTION has always undertaken necessary adjustments to the route and designated school services to improve bus services by liaising with relevant school principals or the Department of Education officers.

ACTION and DET will continue to liaise directly and through the School Transport Liaison Committee to monitor and maintaining high standard school bus services.

4.6 Network 06

The changes made to the ACTION network in December 2006 were in part made to achieve budget savings. The changes focussed on the less patronised off peak services. For example, prior to Network 06, on the weekends between 6:00am and 7:00am the lowest 88 patronised services carried approximately 29 passengers in total. Seventy-four of these services had nil patronage.

The changes also impacted on some shoulder services resulting in heavier loadings on some services and timing issues. Some peak services have also had timing issues and heavy passenger loadings. This has been due to a number of factors, such as traffic congestion on major roads, increased adult patronage and slow validation of tickets. ACTION has introduced a number of measures to address these issues, such as:

- Extend some peak services into off-peak
- Extra district services and diversion of resources to higher demand trunk routes
- Implementing on-platform ticket validation
- Advertise pre-ticket sales and timetable signage
- Improve fleet availability for morning peak
- Earlier start times for some school services
- Adjusting traffic lights on peak direction routes to the city

On February 5, following feedback from drivers and customers ACTION introduced 37 additional services. On April 30, ACTION introduced 84 additional trips.

Details of these changes are set out at Attachment 4.

A comparison of the number of services operated under the previous network and the current network each week day during a school term is as follows:

Time of day	Previous network Number of services	Current network Number of services
5:30 am to 7:00 am	45	48
7:00 am to 9:30 am	676	654
9:30 am to 3:00 pm	600	440
3:00 pm to 6:30 pm	903	877

6:30 pm to 1:00 am	310	320
Total	2,534	2,339

Some limited fine-tuning will continue until a comprehensive service improvement plan is developed and a new network is introduced.

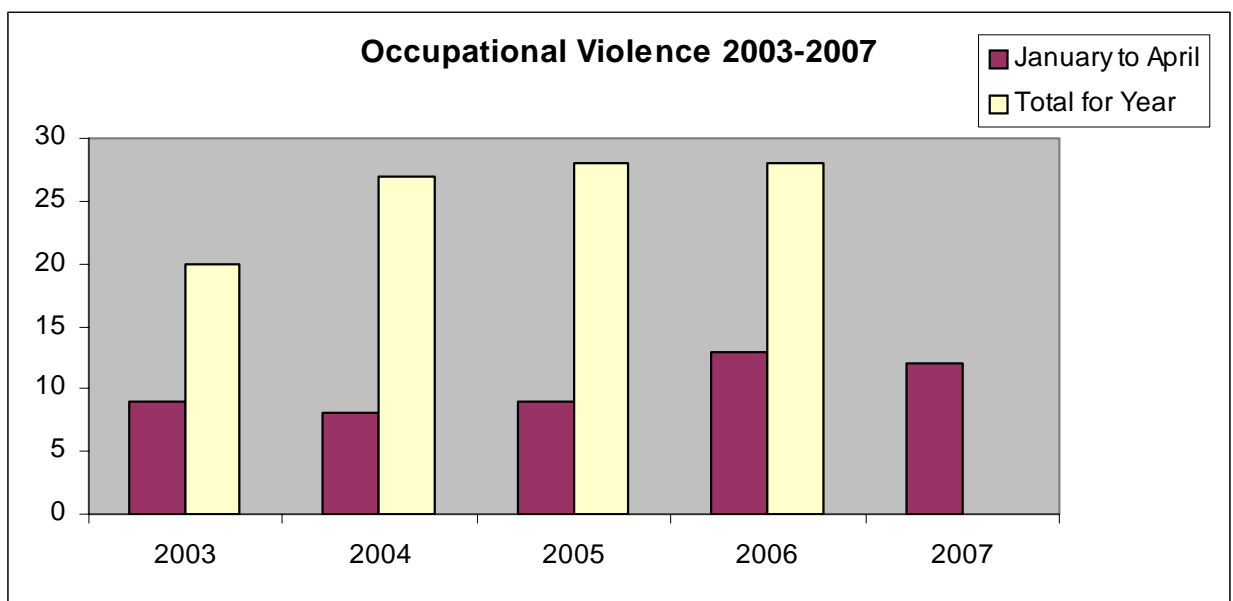
The Department of Territory and Municipal Services will continue to assess the road network and or system improvements to identify measures that will assist bus passengers in terms of service reliability and, where possible, improved travel time relative to the car.

4.7 Safety and Security

The safety of staff and passengers is paramount. Recent incidents involving assaults of ACTION staff have been of particular concern for the staff, their families, passengers, ACTION management and the Government. The ACT Government has been working closely with ACTION staff, the Transport Workers' Union and ACT Policing.

Unfortunately, incidents of abuse and assaults seem to be a feature of public transport services in all jurisdictions. While it has been claimed that the problem is now worse in the ACT following changes to the bus network, this is not the case. Reported incidents have fallen slightly in the four months to April 2007 compared with the same period in 2006.

The attached graph shows all reported incidents of occupational violence recorded through the accident and workers compensation system in relation to ACTION employees. The incidents range from threats and verbal abuse through to assaults.



Any level of occupational violence is unsatisfactory and must be addressed. A number of major improvements will be introduced to tackle safety and security concerns. These include:

- CCTV coverage in bus interchanges will be upgraded to a quality standard which will ensure security coverage of platforms and control rooms;
- Staffing in interchanges will be increased, as will supervision and communications centre resources.
- Refresher training on all safety and security modules will occur for all transport officers. This training will occur in consultation with the TWU and Transport Officers and will ensure business as usual for passengers.
- Safety reporting systems will be enhanced to make it easier for staff to report less significant incidents and to allow information to be passed onto ACT Policing for targeted patrols.
- By the end of the year 76% of the ACTION fleet will be fitted with CCTV. Cameras will be fitted to the remaining buses in 2008.
- The performance audit of the ACTION radio system will be completed by June 2007.
- An internal security audit and risk assessment is currently taking place within the Department of Territory and Municipal Services, of which ACTION is a part. This assessment is looking at a range of issues across the Department including lighting in interchanges.

These improvements are positive steps towards a safer and more secure public transport system for ACTION staff and the ACT community.

4.8 Customer Satisfaction

ACTION considers customer feedback an integral component in providing customers a high level of service delivery. Customers can send feedback to ACTION by e-mail, fax, phoning ACTION's customer call centre, letter or verbally.

Following the introduction of Network 06 ACTION received numerous complaints about the service. This information assisted ACTION in making amendments to the network. Since February 5 ACTION has introduced 121 additional services and altered some routes.

An independent telephone survey of 1,000 ACT residents conducted in May 2007 revealed the following satisfaction levels in relation to ACTION's services:

- The ACTION buses website (www.action.act.gov.au) – 73%
- The ACTION buses call centre (13 17 10)? – 78%
- The routes traveled by ACTION buses – 71%
- The ACTION buses timetables – 49%

- Your personal safety whilst using the ACTION bus network – 86%
- The facilities provided at ACTION bus interchanges – 60%
- The customer service provided by ACTION bus drivers – 88%
- The overall customer service that ACTION provides – 71%.

These results will be taken into account when developing the comprehensive service plan and new network.

5 FARES

5.1 Introduction

As with other public bus services throughout Australia, the recovery of costs through fares is insufficient to meet the overall cost of providing the ACTION bus service. The non-quantified benefits associated with providing a safe and reliable public transport system by way of a bus service has long been recognised as justification for the financial support of such a system by way of direct government payments to fund the service. These payments, properly referred to as a community service obligation (CSO) payments, although often less accurately referred to as subsidies, are made in recognition of the wider economic benefits that a public transport service brings to the community as a whole. While not all members of the community make use of the service, its availability and use by at least part of the community is seen as being of sufficient overall benefit to justify the whole community making a contribution to its cost through the Budget.

A number of years ago, in an attempt to provide greater transparency to the funding from Government to ACTION the “CSO” was broken down into a number of components. Government funding of \$58.698 million provided in 2005-06 was presented in ACTION’s financial statements as follows:

	2006 \$'000
Revenue	
User Charges - ACT Government	
Concessional Travel Payments (difference between adult and concession fares)	5,355
Pricing Community Obligations (difference between adult fare and full cost fare)	15,654
General Route Off Peak Services Community Service Obligations	12,155
Government Disabilities (cost of operating bus service within Government)	18,711
School Transport Services (cost of dedicated school services)	6,823
Total User Charges - ACT Government *	<u>58,698</u>

* excludes contract payments for special need transport services \$1,891,000

While values assigned to each component are some what notional, they do serve to illustrate the range of costs that arise from Government policy. For example: setting concession fares at half the price of adult fares; running services at times that would not operate on a commercial basis; and operating a bus service within Government with its attendant costs and overheads.

To improve the transparency and accuracy of these costs, ACTION has commenced from July 2006 charging the Department of Disability, Housing and Community Services (DHCS) concession program the actual difference between the value of concessions fares validated each month and the value of the equivalent adult fare. Based on year to date experience this charge will be slightly higher than that previously billed. This will not however lead to an increase the overall Government funding to ACTION – an adjustment will be made at year end in line with the level of funds appropriated.

5.2 Concession fares

Concessions are provided to:

- Full-time ACT School, College, and University students
- Pension recipients, both Centrelink and Department of Veterans Affairs
- Recipients of Centrelink Health Care Cards
- ACT Senior's Card holders (off-peak fares only)

Concession fares pension recipients and Centrelink health care card holders are set at 50% of the adult fare. Student fares are set at 38% of adult fares. The lower ticket price for students reflects the limit that the ticket may only be used on school days. Seniors can use concession tickets in the off peak only due to the high demand for services in the peak.

In the 2007-08 Community Budget submissions (November 2006), a number of community organisations and individuals raised concerns that ACT Seniors Cardholders were not eligible for concessions during peak periods, particularly following the perceived reduction in availability of off-peak services.

ACTION, the Office for Aging and the ACT Concessions Program have discussed this issue at length. No quantitative information on the potential use of peak services by ACT Seniors Cardholders is available. Further research will be conducted to gain an estimate of the potential increase in service usage and cost.

The Office for Aging has commissioned a telephone survey of Seniors Cardholders to determine how their usage of ACTION buses would change, if at all, if Seniors Cardholders had access to the full range of concession tickets.

A schedule of ACTION fares is at Attachment 5.

5.3 Student Transport Program

The ACT Government introduced the Student Transport Program on 4 February 2002. The program is administered by the Department of Territory and Municipal Services. This Program provides eligible primary, high school and college students with free travel Monday to Friday during school term.

This program is available to ACT residents attending ACT primary and high schools; and colleges on a full-time basis.

Conditions of assistance are:

1. Students and their parents/guardians must be ACT residents and must be either:
 - Primary school students living outside a 1km radial distance of their school; or
 - High school, college or CIT Year 12 equivalency students living outside a 2km radial distance of their campus.

2. Each student or their parent/guardian must hold a valid Pensioner Concession Card or Health Care Card issued by Centrelink or the Department of Veterans' Affairs showing the applicant's name for entitlement.
3. School verification is required at the beginning of each school year or with the first application submitted during the year. Updated school verification is required if a student changes schools during the year.

Applicants are required to meet both distance and benefit card criteria. The Student Transport Program does not address claims for travel based on any other circumstances, e.g illness or injury.

Student term tickets issued to STP recipients account for around 20% of all student term tickets sold by ACTION.

5.4 Fares Determination

Between 1999 and 2006 the Independent Competition & Regulatory Commission determined ACTION's fares. Over the period the price increases granted have been less than movements in the CPI and the increase in ACTION's costs, particularly labour and fuel. Since 1999, the ICRC granted the following price increases:

- 2000 – 3.6%
- 2001 – 5.94%
- 2005 – 2.5%
- 2006 – 6.0%

In future fares will be determined by the Government.

It should be noted that the ICRC price determinations together with general cost increases over the same period have resulted in a decline in fare box recovery. This is illustrated in the following table. The estimated increase in fare box recovery in 2006-07 is due to a reduction in operating costs as well as an increase in fares revenue resulting mainly from an increase in adult patronage.

Actual operating costs (\$'000), 2002-03 to 2005-06 estimate 2005-06

	actual 2002-03	actual 2003-04	actual 2004-05	actual 2005-06	Note	Estimated 2006-07
employee expenses	45,928	49,484	54,450	56,851		57,689
administrative expenses:	17,673	19,538	22,282	23,454		23,784
. Bus running and maintenance	10,906	11,623	13,226	14,533		13,890
. Other	6,767	7,915	9,056	8,921		9,894
depreciation and amortisation	4,824	5,115	5,786	6,076		6,218
interest	1,276	1,023	1,047	966		883
other	1,136	745	328	6,628	1	437
total	70,837	75,905	83,893	93,975		89,011
fares revenue	15,712	15,543	15,669	17,111		19,095
fare-box cost-recovery	22.2%	20.5%	18.7%	19.6%	2	21.6%

N/a = not available Source: ACTION Annual Reports

Note 1 - other expenses includes non operating costs- loss on revaluation and sale of assets \$6,485

Note 2 - fare box recovery calculated excluding non-operating costs in Note 1

It is desirable that over time the fare box recovery increase.

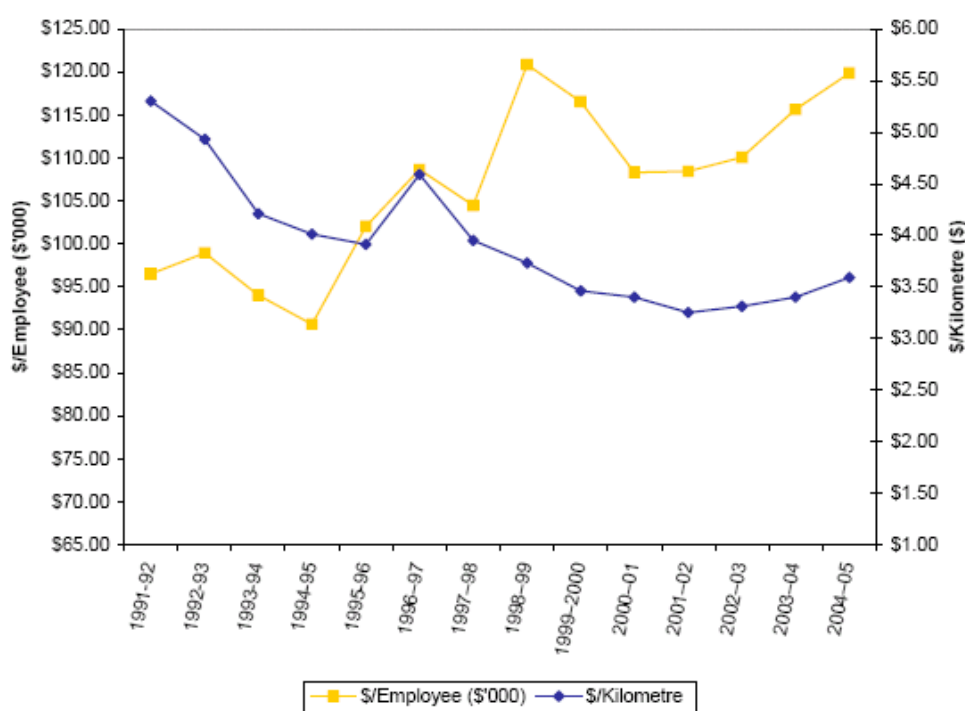
6. ACTION SERVICES

6.1 Operating efficiency

As part of the previous fare setting process 'efficient cost' benchmarks were determined that could be applied to ACTION in the context of the services that it was required to provide and the physical constraints imposed by the dispersed ACT population that ACTION was asked to service.

To measure operating efficiency, the measures of total operating costs per kilometre and total operating costs per employee are used. The figure below indicates the trend in real terms (that is, all observations are expressed in 2005 dollars).

Figure 3.2 Operating efficiency in real terms



Source: ACTION annual reports and 2003 ICRC price determination

The chart clearly indicates that the improvements achieved between 1999 and 2001 have largely been reversed.

Operating costs per employee

It should be noted that:

- Since the 2003 price determination there has been a marked trend upwards in cost per employee, with an average increase of 6.2% per year.
- Although employee numbers increased over the period, this does not explain the significant increase in operating costs per employee, which is largely attributed to the EBA.

Operating costs per kilometre

It should be noted that:

- Operating costs per kilometre have increased quite significantly and are trending upwards at an average of 6.1% per year.
- Previously, the Commission noted that, as a result of ACTION improving network efficiencies, operating costs per kilometre had actually dropped, despite a rise in total operating costs.
- As the total number of kilometres travelled by ACTION's fleet of buses has not changed significantly since 2001–02, the significant increase in the cost per kilometre can be explained only by reference to the increases in total costs.

6.2 Productivity

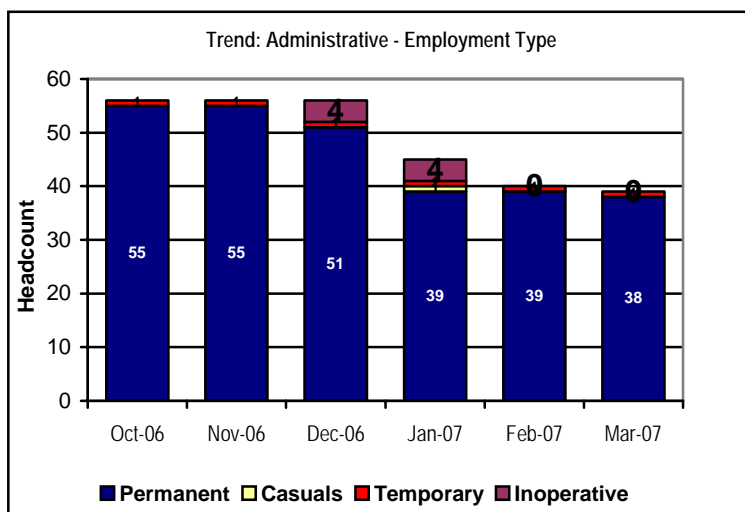
A comparative analysis of ACTION's operating performance is discussed at section 7 of this submission. The analysis demonstrates that ACTION is less efficient than best practice private operators and most other public operators.

Certified Agreement

ACTION's Certified Agreement expired on 31 March 2007. A new EBA is currently being re-negotiated.

Corporate Office (snapshot as at 31/3/07)

As part of the 2006-07 budget savings ACTION has significantly reduced its corporate overheads. Since October 2006 ACTION has reduced corporate staff by 32%.

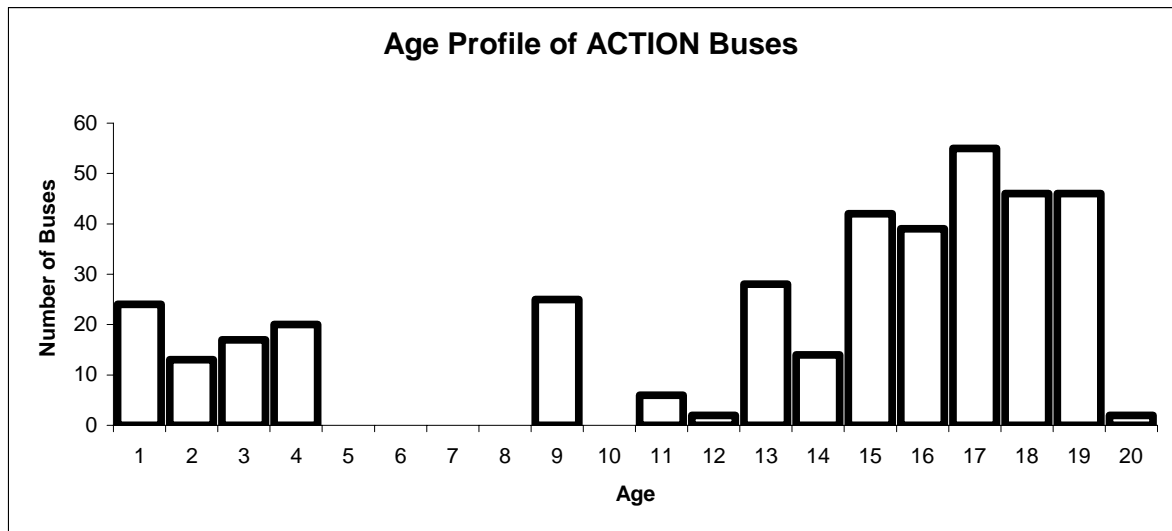


6.3 Fleet

ACTION has a requirement under the Commonwealth Government's Disability Discrimination Act 1992 (DDA) to conform to timeframes in relation to the provision

of accessible buses within ACTION's fleet of vehicles. ACTION currently has 106 accessible buses out of a fleet of 379. The ACTION fleet has an average age of 13 years with 58 per cent of the fleet was acquired prior to 1992, and 20 per cent acquired between the period of 1993-98. The latest additions to the fleet include 54 new Scania buses acquired between 2001 and 2006 to meet accessibility targets required under the DDA. The Scania buses use compressed natural gas and are fuelled at the Tuggeranong Depot.

The following graph shows the age profile of the ACTION fleet.



ACTION also has 18 mini buses that are used for special needs transport.

A study is being planned to establish a bus replacement program for ACTION's aging bus fleet taking into account the Government's accessible public transport commitments. The study will report on the status of ACTION's bus fleet, develop some options for bus fleet replacement, undertake economic analysis and recommend preferred options. It is likely that the study will recommend a regular replacement program. In the interim, the Government has agreed to provide \$8 million in funding to replace up to 18 existing buses over the next two years.

7 STATE COMPARISONS

7.1 State relativities

The ACT's cost of service provision ratio (ACT assessed expenditure compared to Australian average expenditure), as assessed by the Commonwealth Grants Commission, in the 2007 Update (for the 5 year average 2001-02 to 2005-06) was **93.2%** of the Australian average. That is, the CGC assesses that the ACT needs only to spend 93.2% of the Australian average to deliver the average level of service, taking into account the disabilities (diseconomies of scale, national capital, uneconomic services, demographics and capital subsidies, etc) it faces. The ACT does not have a costly rail network to fund.

Despite this, the ACT spends a lot more on urban transit services than it needs to provide at average level of service. The ACT's level of service provision ratio (ACT actual expenditure compared to ACT assessed expenditure), was 14.4% above the Australian average in the 2007 Update (for the 5 year average 2001-02 to 2005-06). This was the second highest of all States after NSW.

The relatively high level of service provision ratio for the ACT of 14.4%, and therefore the extent of providing higher service levels and/or inefficiencies, are actually masked (understated) given the fact that the ACT does not have to fund a costly rail network.

The Australian average expenditure includes State and Territory expenditures on rail, ferry and bus services. As such, there are comparability issues, and the ACT's level of service provision ratio would be significantly higher if rail and ferry expenses were removed to allow a comparison of only urban transit bus services.

This ratio suggests that the ACT makes a deliberate policy decision to spend more and/or it is inefficient in providing services. A comparison of ACTION cost with those of best practice private operators (discussed later in this section) suggests that the ratio is due more to inefficiencies than over provision.

7.2 State operational and financial performance comparisons (benchmarking)

In July 2006, Indec Consulting completed a benchmarking assessment of the operational and financial performance of ACTION relative to other Australian public and private bus operators for the 2003/04 financial year.

This section of the submission contains the results of a further comparative analysis of the data used for the 2003/04 benchmarking survey report. It also covers a comparison of certain key performance indicators on a state by state basis.

7.2.1 Cost Gap Analysis - Salaries, Wages and Payroll on-costs

The differences between ACTION salaries, wages and payroll on-costs and those of a best practice private operator are set out in table 1. The analysis demonstrates that of the total labour cost gap of \$11.1 million, \$6.1 million relates to differences in pay rates including overtime payments and allowances, and 2.2 million to superannuation

payments. The differences in payroll tax totalling \$1.2 million are likely to be proportional to the variances in pay rates and superannuation payments, all of which are subject to that tax. The variance in workers compensation payments are due to differences in premiums. ACTION is covered for workers compensation by COMCARE.

Pay Rate & on-cost Category	GAP 2003/04 (\$M)
Driver pay rates & on-costs	
Wages	3.66
Workers Compensation	0.85
Payroll Tax	0.73
Superannuation	1.53
Other	-0.16
Total Driver Wages & on-costs	6.61
Mechanics pay rates & on-costs	
Wages	1.09
Workers Compensation	0.22
Payroll Tax	0.19
Superannuation	0.26
Total Mechanics Wages & on-costs	1.76
Administration pay rates & on-costs	
Wages & Salaries	1.36
Workers Compensation	0.34
Payroll Tax	0.23
Superannuation	0.41
Other	0.42
Total Admin Salaries/Wages & on-costs	2.76

Table 1. Summary of payroll and on-cost differences between ACTION and an average Best Practice Operator (2003/04)

Indec Consulting has previously reported in the 2003/04 Benchmarking Survey report that the labour cost differences other than those relating to under-utilisation are likely to be unavoidable. As noted in section 6.2 of the submission, Corporate or administrative staff numbers have been reduced by 32% since October 2006.

7.2.2 Operational Performance

Non Revenue Service Hours

Of the total hours paid to drivers a proportion is incurred on non-driving activities by all operators. The non-driving activities consist of paid leave and non-driving hours typically spent at depots. The cost gap between ACTION and a best practice private operator relating to leave totalled \$0.71 million in 2003/04. With respect to non-driving hours spent at the depot, ACTION incurred \$1.03 million more than a best practice private operator would have incurred in 2003/04 for the same task. Another observation is that of the non-driving hours spent at the depot, best practice private operator drivers spend a significant amount of that time on refuelling, de-littering and cleaning buses and on other work as directed. At ACTION such tasks are typically handled by dedicated employees who clean and refuel at a cost typically not incurred by a best practice private operator. The fact that best practice private operators convert non-driving hours resulting from the service schedule into productive time on cleaning, refuelling and work as directed is reflected in the lower level of under-utilisation compared to ACTION. Staff dedicated to cleaning and refuelling are included in ACTION's labour expense for mechanics.

Non revenue service hours expense category (drivers)	Cost GAP 2003/2004 (\$M)
Layover Hours (per annum)	1.27
Total Layover Hours	1.27
Paid leave Hours	0.71
Non-driving Hours	1.03
Total Driver Paid Hours	1.74
Total Driver Activities Variance (\$M)	3.01

Table 2 Driver Activities Gap Analysis

Of the total paid driver hours spent driving, all operators incur a certain proportion in layovers. ACTION incurs a higher level of layovers than its best practice private operator counterparts at an additional cost of \$1.27 million at private industry pay rates or \$1.59 million at ACTION's pay rates.

Dead Running

ACTION incurs higher levels of dead running (empty buses coming from or returning to a depot) than its Best Practice private operator counterparts, which are based on selected Sydney metropolitan operators. The cost of dead running primarily consist of two components, namely bus running and maintenance expense and driver costs. The results of the analysis of dead running summarised in table 3. show that the kilometre

cost gap totalled \$1.64 million in 2003/04 and the bus hourly cost gap totalled \$0.94 million. The kilometre cost gap was calculated based on ACTION's kilometre unit cost and the bus hourly cost gap was based on the best practice private operator pay rates for drivers. Based on ACTION's paid rates, the bus hourly cost gap would have been \$1.25 million.

Dead Running expense category	Cost GAP 2003/2004 (\$M)
Kilometre Costs (Bus running & maintenance expense)	1.64
Bus Hourly Costs (driver expense)	0.94
Total Dead Running	2.59

Table 3. Dead Running Gap Analysis

To reduce the above average dead running costs it may be possible to increase the number of depots or to place depots in closer proximity to the service routes. Optimal placement of depots can be established using simple linear programming algorithms although such solutions are often constrained by the availability of suitable land.. It should also be noted that the cost of operating additional depots or relocation may partially or wholly absorb or even outweigh the savings in dead running costs. The above analysis does not take into account the impact of any savings in dead running expense on overhead costs which, for the purpose of this comparison, have been assumed to be fixed costs. It should be noted that the current through routed services that commence and terminate in outlying areas also contributes to the level of dead running, as does the work practice of limiting to four the number of routes that can be repeated by a driver in one day. This will be addressed in the comprehensive service plan being developed during this year.

7.3 State by state comparative analysis

To allow for a like for like comparison of ACTION with ‘Best Practice’, a ‘Best Practice Operator’ sample has been established comprising 18 Sydney metropolitan private bus operators. This selection of private Sydney metropolitan bus operators was made on the basis that private sector operators in this region have been the most cost efficient operators in Australia in recent years.

In this section cost comparisons with ACTION have been made on the basis of the weighted average of the selected sample of best practice operators rather than lowest unit costs in each category. This approach acknowledges that in reporting costs private sector operators sometimes make trade-offs between cost categories and therefore to use the lowest unit rate of each cost element would be inappropriate. This approach was endorsed by the ACT Commission of Audit in their investigations of the performance of ACTION⁴.

7.3.1 Unit Cost Comparisons

Table 4. gives an overview of indicative unit costs and total costs of providing bus services for a number of Australian jurisdictions. It should be noted that the reference to Sydney private operators is based on a sample of private Sydney metropolitan operators (refer to the definition of a ‘Best Practice Operator’ in section 4). No details have been provided for Adelaide operators as no reliable data was available which would have been suitable for inclusion into this analysis (only data for one operator was available). The left hand side of table 4. covers the unit costs which are defined as follows:

- bus hour cost (direct wages including on-costs);
- bus kilometres cost (fuel, maintenance, cleaning, bus running expenses);
- bus overhead costs (administration salaries including on-costs, other indirect expense); and
- capital cost (interest, depreciation, amortisation).

⁴ Page 76, Australian Capital Territory, Commission of Audit Report No 2 on the state of the Territory’s finances ACT Forrests, Brisbane Transport and Australian International Hotel School, December 2002.

Capital State or Territory	Bus Kilometre Cost (\$/km)	Bus Hour Cost (\$/hr)	Bus Overhead Cost per bus hour (\$/hr)	Normalised Capital (\$/km)	Total cost for ACTION Services (\$)	Total cost per kilometre (\$/km)	Total cost per bus hour (\$/hr)
Melbourne (private)	0.90	32.79	10.07	0.53	55,671,543	2.43	68.18
Tasmania (public)	0.72	33.82	13.62	0.25	55,234,976	2.41	67.65
Sydney (Public)	0.99	40.96	21.56	0.47	73,778,553	3.22	90.36
Sydney (Private)	0.73	29.66	12.26	0.37	50,989,639	2.23	62.45
Newcastle (public)	1.16	51.54	28.29	0.46	91,783,997	4.01	112.41
Canberra (public)	0.81	40.43	21.68	0.25	69,207,794	3.02	84.76
Brisbane (public)	0.80	32.02	16.63	0.29	57,946,929	2.53	70.97
Adelaide (private)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Darwin (public)	0.99	39.44	17.86	0.44	69,355,340	3.03	84.94
Perth (private)	0.80	31.80	10.07	0.46	52,398,227	2.29	64.17

Table 4. State by state comparative cost analysis (2003/04 dollars)

For the purposes of this comparison, the capital costs have been normalised to a common depreciation period of 14 years. The columns to the right of table 4. examines the cost each state would incur operating ACTION's services based on each state's operational and financial performance.

Measure	Melbourne (100% outsourced)	Tasmania (public only)	Sydney (Public only)	Sydney (selected Private Operators)	Newcastle (Public only)	Canberra (Public only)	Brisbane (public only)	Adelaide (100% outsourced)	Darwin (public only)	Perth (100% outsourced)
Average Bus Age (yrs)	9.0	11.8	13.0	10.7	12.6	12.2	10.7	na	9.1	-
Reported Cost (\$/kms)	3.54	3.07	5.09	3.09	4.69	3.26	3.26	3.1	3.50	3.08
Cost Adjusted for average speed in Canberra (\$/kms)	2.79	2.54	3.12	2.50	4.33	3.26	2.62	2.6	3.38	2.73
Average Speed (kms/hr)	22.23	23.37	17.25	22.76	26.00	28.15	22.58	24.0	27.17	25.00
Reported Cost (\$/Bus hour)	78.65	71.65	87.79	70.26	121.97	91.81	73.71	73.7	95.15	76.99
Hours per Bus (hrs p.a.)	2,362	2,180	2,635	2,330	1,788	2,160	2,595	2,288.6	2,159	2,079
Kms per Bus (kms p.a.)	52,495	50,945	45,456	53,034	46,483	60,814	58,584	54,936.7	58,667	51,983

Table 5 State by State comparative unit cost and operational analysis (2003/04 dollars)

Table 5 compares certain operational characteristics and composite unit costs on a state by state basis. The total cost per kilometre has been adjusted for speed differentials to enable a like for like comparison between various jurisdictions. On a like for like basis, ACTION's total cost per kilometre and per bus hour is one of the highest in Australia.

Another observation is that on an annual basis, ACTION buses travel more kilometres than buses in other jurisdictions. The heavier duty cycle of ACTION buses may contribute to greater wear and tear and the associated higher maintenance expense incurred by ACTION when compared to Best Practice private operators.

7.3.2 Spread of Hours

Table 6 shows the allocation of total bus hours to service types. The analysis in table 4.2. illustrates that ACTION's charter activities including Special Needs Transport are relatively consistent with the charter activities in other jurisdictions other than those of the best practice private Sydney metropolitan operator. ACTION's scheduled route services operated after hours, on weekend and on public holidays are consistent with those in other jurisdictions other than those of public operator 2 and the best practice private Sydney metropolitan operator. ACTION appears to allocate the lowest number of hours to charter and contract work compared to other bus operators. It should also be noted that Special Needs Transport (SNT) is unique to ACTION.

Service Types 2003/2004	Action (%)	Public Operator 1 (%)	Public Operator 2 (%)	Private Operator (Best Practice) (%)	Public Operator 3 (%)
Scheduled Route Services					
Before 7 pm Mon-Fri	66.83	76.23	79.57	59.80	71.86
After 7 pm Mon-Fri	8.60	6.88	5.77	4.80	7.72
Saturday, Sunday & Public Holidays	12.55	13.04	8.29	8.08	15.65
Dedicated School Services	7.44	2.32	5.40	10.76	2.93
Special Needs Transport	3.69	0.00	0.00	0.00	0.00
Charter & Contracts	0.90	1.52	0.98	16.57	1.85

Table 6. Comparative analysis of spread of all bus hours (2003/04)

The results shown in table 6. are affected by the level of charter work, particularly by the above level of charter activity conducted by best practice operators. Table 7 summarises the same analysis conducted on scheduled route and dedicated school services only.

Service Types 2003/2004	Action (%)	Public Operator 1 (%)	Public Operator 2 (%)	Private Operator (Best Practice) (%)	Public Operator 3 (%)
Scheduled Route Services					
Before 7 pm Mon-Fri	70.04	77.41	80.36	71.67	73.21
After 7 pm Mon-Fri	9.01	6.99	5.83	5.75	7.86
Saturday, Sunday & Public Holidays	13.15	13.24	8.37	9.69	15.94
Dedicated School Services	7.79	2.36	5.45	12.90	2.98

Table 7 Comparative analysis of spread of selected bus hours (2003/04)

The analysis in table 7 demonstrates again that ACTION's bus hours allocated to scheduled route services are consistent with those in other jurisdictions other than those of public operator 2 and the best practice operator.

7.3.3 Revenue per Kilometre

Table 8 shows that ACTION's total revenue per vehicle kilometres is lower than the average revenue per kilometre of other operators. Total vehicle kilometres have been defined here as including dead running.

Table 8 also shows that ACTION's revenue per bus kilometre is comparable with the average revenue per bus km of public operators 1 and 2. Only the public operator 3 has higher levels of revenue per kilometre, probably as a result of higher patronage densities. Bus kilometres have been defined here as excluding dead running.

Indicator 2003/2004	Action (\$/km)	Public Operator 1 (\$/km)	Public Operator 2 (\$/km)	Private Operator (Best Practice) (\$/km)	Public Operator 3 (\$/km)	Public Operator 4 (\$/km)
Total Revenue Per Total Vehicle Km	3.07	3.24	3.24	2.96	4.41	3.42
Total Revenue Per Bus Km (excluding dead running) (\$)	3.98	4.11	3.90	3.50	5.72	4.44

Table 8 State by state comparison of total revenue per Kilometres (2003/04)

It should be noted that total revenue includes income from all sources including the farebox, CSO payments and other government grants, charter income, advertising revenue and others.

7.3.4 Cost per Kilometre

Table 9 shows that ACTION's total cost per vehicle kilometres is comparable to the cost performance of public operator 1. The total cost per vehicle kilometre of both public operator 2 and best practice operators is lower than ACTION's cost. Total vehicle kilometres have been defined here as including dead running.

Table 9 also shows that ACTION's cost per bus kilometre is higher than that of all other operators except for the public operators 3 and 4. Bus kilometres have been defined here as excluding dead running.

Measure 2003/2004	Action (\$/km)	Public Operator 1 (\$/km)	Public Operator 2 (\$/km)	Private Operator (Best Practice) (\$/km)	Public Operator 3 (\$/km)	Public Operator 4
Total Cost per Total Vehicle Km	3.30	3.28	3.07	2.99	5.06	4.63
Cost per Bus Km (excl dead running) (\$)	4.28	4.16	3.70	3.53	6.55	6.00

Table 9 State by state comparison of cost per kilometres (2003/04)

The differences between the vehicle and bus kilometre costs illustrates that dead running is contributing significantly to overall cost per vehicle km.

7.3.5 Farebox Revenue

Table 10 shows that the farebox per total vehicle kilometres is very low in comparison with operators in other jurisdictions. Further analysis has also been conducted for both farebox revenue per bus kilometre, and for the farebox per bus kilometre excluding charter and SNT kilometres (scheduled route and dedicated school services only). Both results are summarised in table 10 and demonstrate that charter income and dead running has little effect on the relativity of farebox revenue between operators. In 2003/04 ACTION's farebox revenue in all three units of measure was lower than the farebox revenue of all other operators.

Measure 2003/2004	Action (\$/km)	Public Operator 1 (\$/km)	Public Operator 2 (\$/km)	Private Operator (Best Practice) (\$/km)	Public Operator 3 (\$/km)	Public Operator 4 (\$/km)
Farebox Per Total Vehicle Km (\$)	0.68	1.41	0.79	0.88	2.44	1.89
Farebox Per Bus Km (excl dead running) (\$)	0.88	1.79	0.95	1.04	3.16	2.45
Farebox Per Bus Km (excl charter/SNT & dead running) (\$)	0.91	1.79	0.96	1.26	3.21	2.49

Table 10 Farebox Revenue Per Kilometre (2003/04)

The results of the foregoing analysis suggests that ACTION either carries fewer fare paying customers than other operators or that ACTION fares are lower than those in other jurisdictions.

7.3.6 Patronage Density

Table 4.7 reveals that ACTION's patronage per total vehicle kilometre is lower than patronage for both the public and private operators in other jurisdictions. Further analysis has also been conducted to establish patronage density both per bus kilometre, and per bus kilometre excluding charter and SNT kilometres (scheduled route and dedicated school services only). The results summarised in table 11 demonstrate that the removal of dead running and charter and SNT kilometres as little effect on ACTION's relative patronage density when compared to other comparators. ACTION's patronage density still lower than in other jurisdictions with the exception of public operator 2.

Measure 2003/2004	Action	Public Operator 1	Public Operator 2	Private Operator (Best Practice)	Public Operator 3	Public Operator 4
Patronage per Total Vehicle Km	0.71	1.14	0.78	1.11	2.32	1.37
Patronage per Bus Km (excl Dead Running)	0.92	1.45	0.94	1.31	3.00	1.78
Patronage per Bus Km (excl Dead Running, SNT & Charter & Contracts)	0.95	1.45	0.94	1.58	3.05	1.80

Table 11 Patronage Density (2003/04)

The results presented in table 11 suggest that the primary contributor to lower than average farebox receipts is likely to be lower than average patronage density.

7.3.7 Revenue and Farebox Recovery per Passenger

Table 12 shows that ACTION's total revenue per boarding is higher than that of other operators. It should be noted however that total revenue incorporates income from all sources including government subsidies. Further analysis was conducted to determine farebox revenue per boarding of adult and concession fare paying passengers (excluding students and children). The conclusion of that analysis is summarised in table 4.8 and shows that only public operator 3 has lower average fares for adults than ACTION. However, ACTION's farebox recovery is the lowest of all jurisdictions included in the analysis. This result indicates that operator 2 has a higher patronage density than ACTION and it is consistent with the conclusions reached above.

Indicator 2003/2004	Action	Public Operator 1	Public Operator 2	Private Operator (Best Practice)	Public Operator 3	Public Operator 4
Total Revenue per Total patronage (\$)	4.34	2.84	4.17	2.68	1.90	2.50
Farebox Revenue per adult & Adult conc. patronage (\$)	1.41	2.72	1.75	2.17	1.27	1.66
Farebox Recovery on Total Revenue (%)	22.03	43.60	24.43	29.79	55.30	55.30
Total Cost Per Passenger (\$)	4.67	2.88	3.95	2.70	2.18	3.38

Table 12 Revenue and Cost Analysis per Passenger (2003/04)

Another observation from the analysis presented in table 12 is that ACTION's total cost per passenger is the highest of all jurisdictions. The primary contributor to ACTION's higher than average cost per passenger boarding is ACTION's low patronage density as previously commented on.

7.4 Fares Comparison

It is difficult to provide a direct comparison with bus fares in other jurisdictions as many different fare systems operate, including zone, section based and flat fares. Further some jurisdictions provide free transport for travel to and from school. The following table sets out a broad comparison of the average fare per boarding in Australian and some New Zealand cities.

Table 1: Average Fare per Boarding for Major Australian and New Zealand Cities (2003/04)

Locality	Average Fare per Boarding
Adelaide	\$0.92
Brisbane	\$1.25
Canberra	\$0.96
Melbourne	\$0.82
Perth	\$0.86
Sydney	\$1.17
Auckland *	\$1.42
Christchurch*	\$0.97
Wellington*	\$1.60

Source: Prepared by Booz Allen Hamilton.

* expressed in NZ Dollars

Canberra bus fares are about average, yet we have one of the highest cost services. This means that as a whole ACTION passengers make a relatively low contribution to the cost of travel (22% compared to up to 50% in other jurisdictions).

8 KEY PRIORITIES FOR FUTURE SERVICE PROVISION

8.1 2007-08 Budget initiative.

The Government has announced in the 2007-08 Budget that it has provided \$16.445 million in capital funding and \$2.0 million in recurrent funding to improve ACTION bus services.

\$8.0 million in capital funding will be used over the next two years to replace up to 18 existing aged high maintenance buses with new CNG accessible buses. The new buses will help to provide a better service, particularly for people with a disability, on a more economic and sustainable basis. A further \$8.0 million will be used to replace the current aging ticketing system with one that will use the latest technology to provide user friendly, flexible and reliable ticketing for passengers and improved management information for the monitoring and review of services. The ticket replacement program will be undertaken over two years.

Security cameras have been installed in the majority of ACTION buses. \$0.445 million in capital funds has been provided to complete the installation of cameras on the remaining buses. The cameras will enhance the delivery of a safe and secure public transport network for the Canberra Community.

Recurrent funding of \$1.25 million has been provided to increase services in 2007-08 and to strengthen security around interchanges. The service improvements will follow a comprehensive service plan involving surveys and community consultation. A further \$0.75 million has been provided to undertake major rebuilds on selected buses to extend their operating life from 12 years to 20 years. The maintenance will keep the buses on the road longer.

Further details of these budget initiatives and other projects to be undertaken by ACTION to provide a stronger foundation for the delivery of services into the future are set out below.

8.2 Service Improvement Plan

The Service Improvement Plan will enable ACTION to develop an upgraded network plan based on a full enumeration of ACTION's current patronage, infrastructure, resources and work practices. The survey will be conducted to gather data on actual bus trips including boarding and alighting data for each bus stop on each route and also include a customer questionnaire to find out more about why those trips were being made and, if the bus had not been available, what would have happened with the trip. Community consultation and customer survey will provide the opportunity for Canberrans to provide feedback regarding their specific travel needs. Previous customer feedback regarding Network 06 will also be included in this process.

The plan will cover questions such as:

- Is it possible to increase the percentage of the system that runs the same way all the time, rather than having separate peak, off-peak, and evening-weekend patterns?
- Are there opportunities to redesign the local circulator networks, particularly with an eye to reducing surplus layover time and improving intra-town connectivity?
- Are there further opportunities to reallocate poorly-performing service to places and times where it would be more efficiently used?

The data collection and questionnaire will be undertaken in the period late July to mid August 2007. The Service Plan is expected to be complete for a new network to be introduced in early 2008. The service plan will not be rushed as it will be vital that the new network optimise existing resources to deliver the services required by the community on a priority basis.

8.3 Benchmarking – update of the 2003 / 04 benchmarking report

The benchmarking project will update the last report (dated June 2005) entitled Benchmarking Survey 2003/04. These surveys have been run over a period of more than ten years and focus on comparing ACTION's actual costs indexed against the costs of a group of approximately sixty private operators and most of the public bus operators. This gives the government useful information on ACTION's relative efficiency as measured against operators in other jurisdictions and helps focus management's efforts on areas where services can be improved and / or costs reduced.

This is a four to six week project and it is expected that the work will be completed during June 2007.

8.4 Bus Fleet Replacement

The Bus Fleet Replacement project will provide ACTION with advice on both the medium term (to 2012) and short term (2007-08) strategy for ACTION's bus replacements. The project will report on the status of ACTION's bus fleet, develop some options for bus fleet replacement, undertake economic analysis and recommend preferred options.

The project will build on recent modelling of ACTION's future services, operating costs, population and passenger demographics, patronage, and bus fleet and depot scenarios in relation to the cost benefit analysis of options for reusing the former Woden bus depot for ACTION bus services from Property ACT.

The project will look at scenarios of traffic flows below, at and above those underlying the government's sustainable transport plan with a view to either confirming or updating ACT Government policy with respect to that plan. Bus composition options, including fuel types, size and the need for articulated bodies will be assessed with regard to the influence of expected developments in ACTION's three key markets (commuter, school and community). The optimal Disability and Discrimination Act (DDA) compliant bus composition of the fleet will also be assessed.

Research will be undertaken to advise on optimum triggers for bus replacement and how factors such as maximum and average fleet age, maintenance and operating cost, vehicle condition, passenger requirements and expectations should be factored in to policy decisions on bus replacement.

The project is expected to be complete in June 2007.

8.5 Closed circuit TV Cameras and Depot Security

The CCTV component of the project will ensure that some 342 buses, ie 75%, are fitted with cameras that link back to depot infrastructure.

Where it is necessary to record an incident on a bus there will be no need for ACTION staff to attend the bus to download film of the event. The film will be able to be relayed electronically to monitors accessible in ACTION's corporate offices.

This project commenced is due for completion in mid November 2007.

The depot security component of this project involves upgrades to depot and workshop entry and perimeter security including improved monitoring of entry to the sites along with buzzers to alert staff to entry and exit. Upgrades are expected to be installed in the school holidays between terms three and four of 2007.

8.6 Feasibility study into Replacement Ticketing System for ACTION buses

This is the first stage of a three-stage project to replace ACTION's aging Wayfarer ticketing system. It will enable ACTION to assess the benefits of implementing a real time passenger information system (RPTI) involving the use of smart card tickets.

The project is timely given that most Australian state jurisdictions are undertaking projects to replace their ticketing systems. A first objective of the project is to decide whether or not to adopt a partnership with a jurisdiction utilising an existing system or to acquire a stand-alone system. The project will also prepare a high level business case and prepare procurement documentation for the engagement of a project manager to oversee the preferred option over the coming two financial years (2007-08 and 2008-09).

The procurement process for the feasibility study will be completed in May 2007 and the study is expected to commence in May and to be completed in October 2007.

MINIMUM SERVICE LEVELS

Preface: (Minimum Service Levels as defined in contract between (former) ACTION Authority and the then Department of Urban Services. These service levels will be updated following the completion of the service improvement plan and network to be introduced in early 2008).

These Standards were developed to protect the public interests of the ACT community and represent levels of service equal to or below which no service through intention or omission shall reduce without the prior written agreement of the Purchaser.

These Standards are to be observed in all areas and on all routes within the contract area of operation.

Route Type Definitions

Primary routes carry passengers to/from the suburbs, through the interchanges wherever possible and operate seven days a week;

Feeder routes carry passengers to/from the suburbs to interchanges wherever through-routing cannot be achieved and operate seven days a week;

Trunk services carry passengers between Tuggeranong, Woden, Civic and Belconnen interchanges and operate seven days a week.;

Supplementary and **special events** services meet special needs or are designed as patronage generators.

Frequency of Services

Primary and feeder services: a minimum service of 30 minutes during peak times and 60 minutes during off-peak times. Minimum off-peak services should not extend past an hourly frequency.

Trunk services: should operate at least every 15 minutes and will link with the last route bus.

Night services: should operate at intervals of no more than 90 minutes on all routes, with the aim of more frequent services on higher patronage/major routes particularly on Friday/Saturday nights.

Saturday, Sunday and Public holidays: should operate at intervals of no more than 90 minutes on all routes. Trunk services should operate at least every 30 minutes.

Special events: additional services for special events may be provided on a commercial basis or as agreed with the Purchaser.

Span of hours

The span of hours is from the time of first bus at the departure point until last bus reaches the finish point of the route. The actual times will depend on scheduling and service headways (the time between each service on a route).

This does not mean that the first bus in the morning must leave departure points at 0600 or that every last bus must reach its finish point at 2300 on week nights. The Purchaser is prepared to negotiate variations for specific services on a case by case basis on provision of supporting documentation and data by the Provider.

peak	0700 - 0900, 1600 - 1830
Off-peak	0600 - 0700, shopping 0900 - 1600
week night	1830 - 2300
Saturday	0600 - 2300
Sunday and Holidays	0800 - 1800

Route Criteria

Because of spatial and urban design characteristics, it may be that some areas should be excluded from these criteria. These areas will be agreed by negotiation with the Purchaser.

As a general guide, **primary and feeder** service routes should be designed so that:

- 95% of residences are within 500 metres (600 metres at nights, weekends and public holidays);
- 85% of major employment centres are within 500 metres;
- 85% of the major retail and major recreational areas are within 500 metres; and.
- for at least 85% of all passenger journeys, the point-to-point travel distance is no more than 30% longer than the comparable distance by private vehicle.

Route Numbering

This is to be kept as simple and logical as possible with minimal variation.

Service Headways

Service headways (the time between each service on a route) are based, wherever possible, on the concept of a clockface or memory timetable, ie. departures at a fixed time in each hourly time block.

Where appropriate, supplementary services are operated to meet specific requirements that arise at particular times of the day. These operate at headways dictated by demand.

Services operating along common roads, or within the immediate vicinity of each other are to be arranged, if possible, so that departures from and arrivals to interchanges and bus stops alternate, to effectively halve headways for those passengers within walking distance of the adjacent routes.

As far as possible, bus arrivals and departures are spread out to maximise services and to make effective use of resources.

Service Reliability

All services should be managed so that all buses run on time and passengers can be assured of connecting with other scheduled services in 99% of connections.

Connecting services shall be held for a maximum of five (5) minutes where they connect with, and have implications for, other scheduled services.

No service will miss two consecutive days in a row.

The objective is that all buses should leave timing points on time and not run early between timing points.

The service level goal is that no bus will run more than five (5) minutes late.

Timing points will be located not less than an average of every two (2) kilometres along routes in the suburbs.

(Policy for School Student Transport developed by Department of Urban Services in 2002 as part of the contract with the ACTION Authority)

SCHOOL STUDENT TRANSPORT

General

It is the intention that ACTION Authority be the primary provider of school transport services in the ACT. Services must be offered where practical to all ACT government and non-government schools.

From beginning of Term 1, 2002, the ACT Government will introduce a Student Transport Program. This replaces the previous School Student Transport Scheme abolished in December 2001.

All students not eligible for free travel under the Program remain eligible for the existing range of discounted school term and Faresaver tickets issued by the Provider.

Service Conditions and Requirements

In designing dedicated school bus routes to provide services the following principles should be observed;

The current version of the Code of Conduct for Students on Public Transport may be applied. A copy of this document is attached.

Unless exceptional circumstances can be shown to apply, no school-aged student who would normally utilise a school or regular route service shall be left without safe and timely transport to and from school. It is acknowledged that a penalty applied under the Code of Conduct is sufficient grounds for this condition to be waived.

Dedicated school bus services are separately identified because of their special requirement to transport large numbers of students safely within a relatively narrow time frame.

School transport services are to ensure, as far as possible, that all students have access to a bus service(s) which enables them to travel safely to and from school in a reasonable time and at times which are in line with the school's advertised commencement and finish times.

As a general principle, dedicated school services should not be specifically provided for students living within 1.6 kms of a primary school and 2.0 kms of a secondary school.

Measures to ensure the most efficient use of school services may include:

- using normal route services;
- interchanging from one school service to another, from one school service to or from a route service, or from one route service to a school service; and
- using one school route bus to service two or more schools.

School children will have priority on dedicated school bus services.

The factors to be considered by the Provider to assess whether to provide a new or additional dedicated school service may include:

- the distance the student walks from home to school;
- the availability of existing route services;
- physical bus access to the school;
- the availability of existing dedicated services and the feasibility and cost effectiveness of diverting/extending the service to accommodate the new request;
- the marginal cost of the additional service;
- the distance and time taken to complete the journey (these factors add to the cost);
- whether the service can be provided outside the “peak” when some spare capacity may exist;
- the availability of a bus (the need and cost to add to the fleet);
- the ability to rationalise existing services to free up a bus (or provide a larger bus); and
- potential patronage (particularly relevant to developing areas and those affected by school amalgamations/closures). As a general rule, dedicated services will not be provided where regular patronage falls below 27 persons on a sustained basis.

Route Design and Safety

Wherever practicable, school bus services will operate on streets utilised by standard route services and use the public bus stops.

Where feasible, school services will load and set down within the school grounds subject to the school ensuring that the bus has free and safe access to the school grounds with safety of students being the most important criterion.

The maximum school bus load will not exceed the licensed or agreed capacity of the bus.

Where loads exceed this limit an additional bus or other arrangements will be put in place to carry the additional school passengers. These arrangements will be negotiated with the schools concerned and agreed by the Purchaser.

Operating Times

School bus services will arrive at schools no earlier than thirty (30) minutes before, and no later than five (5) minutes before, the notified start of classes.

School bus services will depart schools no earlier than five (5) minutes after, and no later than thirty (30) minutes after, the notified time classes end.

Arrival and departure times of school services outside these hours will only be allowed after consultation with the school(s) concerned and the specific agreement of the Purchaser.

Service changes will be negotiated with affected schools and the Purchaser will be informed immediately such changes are agreed. Schools and students will be given two weeks notice of any changes unless otherwise agreed with the school.

The School Transport Liaison Committee, a community based forum convened by the Purchaser, must be advised of all school services changes implemented at its next regular meeting. The Provider shall nominate a representative to attend meetings of this Committee.

Reliability of School Services

All school services will operate and no school services will be cancelled.

(Internal policy document developed by ACTION on school bus services which expands on the requirements set out under the contract with the Department of Urban Services)

ACT GOVERNMENT POLICY FOR THE PROVISION OF SCHOOL BUS SERVICES

1. Purpose:

The purpose of this paper is to articulate the ACT Government's policy for the provision of school bus services.

In so doing the policy should provide an agreed and transparent framework for parents, schools and ACTION regarding decisions on the provision of dedicated school bus services.

2. Stakeholders

The stakeholders are:

- ACTION Authority
- The Department of Urban Services
- Peak groups representing parents of school children
- Peak groups representing non-government schools
- The Department of Education and Training

These stakeholders are all represented on the School Transport Liaison Committee (STLC), which has endorsed this policy following consultation.

3. Objectives of School Bus Service Program

The School Bus Service Program will provide a safe, fair and reasonable level of public transport access for Canberra school students.

4. Definitions

School bus services - include either regular route services (whether direct or interchanging) or dedicated school services, or a combination of the two, preferably involving no more than one interchange between services.

Dedicated school bus services – follow a regular timetable and route, and are available to school students only, not the general public. However, parents may travel with young children to assist them to get used to bus travel.

5. Principles

The following principles should be balanced and applied in the provision of dedicated school bus services:

- The cost to Government of dedicated school bus services will be governed by ACTION funding arrangements.
- Decision making regarding the provision of a dedicated school bus service will be based on the most efficient use of resources, taking into account existing regular route

and dedicated school services in the local area, and other network needs. This should also take into account the safety of children accessing regular route services.

- Student safety accessing dedicated school and regular route services in the local area will be addressed wherever possible by school education programs.
- Dedicated school bus services should arrive at schools as close as possible to the start and end times of the particular school.
- The reasons for decisions regarding the provision or non-provision of dedicated school bus services should be articulated and documented.

6. Previous policies

Previously, there was no written policy detailing when a dedicated school bus service will be provided. A general rule, included in the Government's contract with ACTION, is that dedicated services will not be provided where regular patronage is less than 27 students. This is a very simple statement that fails to acknowledge the range of factors relevant to decisions about such services.

7. Policy to guide future provision of services

7.1 Process for requesting a school bus service

There is a need for a structured way of requesting a school service to ensure a fair and effective allocation of resources. The process for requesting a school bus service is as follows:

- parents requesting a service contact their school or ACTION;
- if the school wishes to take the matter up with ACTION, the school refers the request, and an indication of demand for the service if possible, to ACTION;
- ACTION considers/investigates the request in accordance with the agreed policy;
- ACTION makes a decision in regard to the request as soon as possible and within six months,
- the decision is reported to the particular school and the School Transport Liaison Committee, including the reasons for the decision;
- ACTION advises the school of the timing of the introduction of a new service, or adjustments to existing services.

7.2 Decision making criteria

There are several key criteria to be considered in making a decision regarding the provision of a school service. The following criteria are to be considered in decision making about the provision of new services, the nature of new services, and the adaptation of existing services:

- the age of the students;
- the level of demand for the service;
- the locations of demand for the service;
- the availability of, safety and convenience of access for students using regular route services in the local area of the school;
- the availability and carrying capacity of existing dedicated school bus services in the local area;
- impact on the scheduling of regular route services;
- the available funds for dedicated school bus services; and
- parking and traffic issues.

All criteria are to be considered and balanced. For example, while there may be a high level of demand for a dedicated service, the existence of several regular route services close to a high school would generally rule out the provision of a dedicated school bus service.

Age of students

Primary school aged students are generally less able to cope with interchanging than high school students and the Program should aim to reduce the amount of interchanging required for these younger students. These students warrant a high level of priority in allocating dedicated school bus services.

However there will be some instances where primary school students are required to interchange between regular route services, and between dedicated school services and regular route services.

Children with special needs

Children with special needs are generally less able to cope with interchanging, and so should be accommodated with a direct service where possible (i.e. where the number of students using that service would be sufficient). In addition, ACTION should continue their policy of providing assistance to these students when interchanging, through both drivers and interchange supervisors.

Demand

The efficient use of resources demands that only school bus services with strong patronage be operated.

Demand is sufficient to warrant consideration of providing a new dedicated service where the needs of at least 27 students can be accommodated by such a service.

Where there is a lower level of demand, consideration should be given to combining school services for geographically proximate schools with similar start/finish times, or through a service to a major interchange.

Where patronage on an existing service drops below 15 students for a sustained period, ACTION may review the service and consider withdrawing the service or adjusting school services in the area.

Location of demand for a service

Typically, non-government schools draw students from a broad geographical area and school bus services will reflect this spread where demand warrants. Increasingly, Government schools have a broader geographical spread of students, as the ACT Government's policy is that students should have a choice of enrolment subject to capacity.

As a general principle, the decision of a parent to send children to a school further from their home is a personal choice and parents and schools cannot assume that such decisions can be accommodated through the provision of dedicated school bus services funded by the community at large.

Students attending schools that are not geographically proximate to their home may be required to travel to school using regular route services, by interchanging to a dedicated

school service, or by private means, due to the lack of demand for, or impracticality of, direct school services to more distant schools.

Availability of, and convenience of access for students using, regular route services

Regular route services close to the school may provide adequate public transport access. Students should be able to access such services in a safe manner and without having to walk long distances.

Where regular route services offer pick-up or drop-off points that are difficult or dangerous for students to access, consideration should be given to a dedicated school service. Safety considerations are different for children of primary school and high school ages. In some instances, physical works may be appropriate to address safety concerns.

Regular route service timings may be suitable or may be able to be adjusted slightly to accommodate school needs. This also applies to the route taken by a regular route service.

In the event that demand on a regular route service is very high, consideration may be given to providing a dedicated service mirroring part or all of the regular route service, as the carrying capacity of regular route services would otherwise be tested, and amenity for non-school travellers could be compromised.

Where regular route services are excessively long or circuitous, or require multiple interchanges for school passengers, consideration should be given to a direct, dedicated school service.

Availability and carrying capacity of existing dedicated school bus services

Wherever possible, demands should be met by existing, or adjustments to existing, dedicated school buses servicing the school or other schools in the area.

Dedicated school services may operate to multiple, geographically proximate schools with similar start/finish times to consolidate patronage.

Available funds for dedicated school bus services

ACTION has a limited bus fleet and other resources (e.g. funding for drivers, fuel etc.) from which to allocate buses to a dedicated school service. The expansion of ACTION resources is dictated in accordance with Government budgetary considerations

The limitation on the number of buses is especially true for morning services, which coincide with the morning commuter peak. Afternoon return services are less problematic as they precede the evening commuter peak.

Impact on scheduling of regular route services

Should a need for a dedicated school service be established in accordance with the above criteria, the impact of that service on the existing regular route network also needs to be considered. Where there is minimal impact, the service would be provided as soon as possible. Where the impact is significant it may not be possible to provide the new service until a new network is introduced.

Parking and traffic issues

Parking and traffic issues at schools may require the postponement of the provision of new school bus services while physical works are implemented. Alternatively, education programs provided by the school may be required to improve parking and traffic issues.

8 Ongoing operation of dedicated school bus services

Students will be dropped off/picked up no more than 30 minutes and no less than 5 minutes from start and finish times. Where part of the school has a different start/finish time, the earlier start and later finish time will be the guide. Services will be provided for the same start and finish times every day of the school term and cannot be altered for individual days.

Schools will provide ACTION with enrolment information as soon as possible and at the latest by mid October each year.

Schools will provide ACTION with any changes to start/finish times 12 months in advance if possible, to allow for the rescheduling of route services. Scheduling requirements for regular route services can make alterations to school services difficult and time-consuming. Where possible ACTION will endeavour to make minor changes as quickly as possible.

ACTION will advise schools a minimum of two weeks ahead of any changes to bus pick up/drop off times.

ACTION will carry students in accordance with the legal carrying capacity.

ACTION will report to the STLC each term on new requests for dedicated school services, ACTION's decision on the request and the reasons for the decision.

Additional Services**Commenced 5 February 2007**

Route	Description of Change
Route 62	from Tuggeranong @ 9.13am- New service
Route 300	from Belconnen to Woden @ 9.25am: Extended to Tuggeranong
Route 315	from Belconnen @ 10.16am
Route 312	from Belconnen at 2.43pm
Route 312	from Spence @ 9.06am: New service (school days only)
Route 312	from Theodore @9.43am: New Service (school days only)
Route 312	from Belconnen Interchange @ 2.43pm: New service
Route 313	from Lanyon Mkt Place @ 9.04am: New service (school Days Only)
Route 313	from Fraser @ 9.04am: departs 1 minute earlier
Route 313	from Fraser @ 9.58am: New service (school days only)
Route 314	from Fraser West @ 9.14am: New service (school days only)
Route 314	from Lanyon Mkt Place @ 9.31am: New service (school days only)
Route 315	from Theodore @ 9.03am- New service
Route 315	from Spence @ 9.49am: New service
Route 315	from Spence @10.49am: New service (school days only)
Route 300	Plus 23 additional interpeak services

Commenced 30 April 2007

Route	Description of Change
12	New trip from Spence to Belconnen starting at 10.13am
12	New trip from Tuggeranong Interchange to Theodore starting at 2.27pm
13	New trip from Lanyon Market Place to Tuggeranong starting at 9.54am
13	New trip from Tuggeranong Interchange to Lanyon Market place starting at 3.22pm
313	New trip from Woden Interchange to Lanyon Market Place starting at 2.22pm
14	New trip from Fraser to Belconnen starting at 10.22am
14	New trip from Lanyon Market Place to Tuggeranong Interchange starting at 10.31am
14	New trip from Belconnen Interchange to Fraser starting at 2.50pm
15	New trip from Theodore to Tuggeranong Interchange starting at 9.22am
16	2 New trips from Kippax to Belconnen starting at 9.06am and 10.06am
17	2 new trips from Kippax to Belconnen starting at 9.46am and 10.46am
117/217	217 departing Kippax at 7.28am will change to route 117 and travel to City and Woden Interchanges. Passengers wishing to travel to Barton and Russell can connect with any service from Platform 7 at City Bus Interchange. (commenced 9 April 2007)
21	Route 21 departing Woden at 6.34pm will be deleted. Passengers are advised to catch route 922 at 6.34pm.
30	New trips added in each direction for the middle of the day. These trips replace route 32
31	New trips added in each direction for the middle of the day. These trips replace route 32
32	Middle of the day trips on route 32 will be replaced by new trips on routes 30 and 31
33	New trip from Dickson to City starting at 9.05am
34	Route 34 departing Woden Interchange at 3.30pm and departing Belconnen Interchange at 5.00pm will depart one (1) minute earlier.
36	New trip from Watson to City starting at 9.05am
39	New trip from Watson to City starting at 9.05am
40	New trips added in each direction for the middle of the day. These trips replace Route 42
41	New trips added in each direction for the middle of the day. These trips replace route 42
42	All trips prior to 2.40pm will be replaced by new trips on routes 40 and 41
43	New trips added in the middle of the day will replace route 46
45	New trips added in the middle of the day will replace route 46
46	Route 46 will be completely replaced by new trips on routes 43 and 45
47	New trips added in the middle of the day will replace route 32

ACTION FARES SCHEDULE

Pre-Purchased Ticket Prices

Prices effective 3 July 2006

Adult	
Faresaver 10^	\$22.00
Weekly	\$24.60
Monthly	\$82.00
Daily	\$6.60
Shopper's Off Peak Daily*	\$4.10
Concession	
Faresaver 10^	\$11.00
Weekly	\$12.30
Monthly	\$41.00
Daily	\$3.30
Pensioner Off Peak Daily *~	\$1.40
School Student	
Faresaver 10^#	\$8.20
School term	\$56.00

On-Bus Fares

On-Bus tickets are purchased from the driver.

Prices effective 3 July 2006.

Adult	
Single Trip ^	\$3.00
(90 minutes transfer ticket available on request, at no extra charge)	
Daily	\$6.60
Shopper's Off Peak Daily*	\$4.10
Concession and School Student	
Single Trip ^	\$1.50
(90 minutes transfer ticket available on request, at no extra charge)	
Pensioner Off Peak Daily *~	\$1.40
Daily	\$3.30

^ 90 minutes transfer option available at no extra charge

* Off Peak: Weekdays 9am - 4.30pm and after 6pm, and all day weekends and public holidays

~ Students are not eligible to use the Pensioner Off Peak Daily tickets

This ticket provides ten individual bus trips that can be used on school days (Monday to Friday) excluding public and school holidays

Faresaver tickets include the transfer option - Transfer tickets allow you to transfer to other bus services within 90 minutes of first validating your ticket at no extra charge.

Children under 5 years and not attending school travel free.