



MINISTRY OF TRANSPORT

## RURAL & REGIONAL BUS REFORM NEWSLETTER

**Update from Jim Glasson, Director  
General, Ministry of Transport**

I'm happy to say that the reform of rural and regional bus services is progressing well with the Rural & Regional Bus Reform Consultative Taskforce working towards finalising new arrangements for consideration by the Minister on funding, contracting and service planning for rural and regional bus services. Subject to Government approval, I expect we will be ready to start rolling out new contracts in the first half of 2008.

Before giving you some information on work that is happening on the new framework, I'd first like to give you an update on interim arrangements that have been put into place in the lead up to the reform.

### **Interim Measures**

You will remember that the Minister asked the Taskforce to look at what interim measures could be implemented prior to the roll-out of reform to assist operators remain financially viable.

The following interim measures have been put into place to provide some relief to those operators most impacted by the current funding and contracting models.

#### **1. Average Age**

Relief from average bus age provisions of 8 years for Category 1 & 2 buses and 12 years for Category 3 & 4 buses has been made available for operators who can only average bus age over a maximum of two vehicles.

Eligible operators can apply for relief from current average age provided they comply with accreditation and HVIS requirements.

Further information is included in the application form which is available at our web site <http://www.transport.nsw.gov.au/busreform> or through your regional office of the Ministry of Transport.



The Ministry is sending out information to non-commercial operators who have indicated in their 2007 annual survey that they are approaching the maximum average age.

#### **2. Category Shift**

Financial relief is being made available to non-commercial operators who drop 10% or more of their total contract payments as a result of bus category changes through changing student numbers. Currently when this happens the operator moves to the new rate of payment from July in that year.

From July 2007, for the first twelve months after payments decrease because of a bus category change, eligible operators now receive repayment of 50% of that annual payment reduction. This is being paid through 4 equal quarterly instalments during that year.

Eligible operators are being identified by the Ministry and will be advised by their Regional office.

#### **3. Fuel Price Indexation**

Fuel indexation payments calculated on changes in fuel prices have been made to all non-commercial operators for fuel purchased since July 2005.

### **Tamworth Trial**

Many thanks to the 14 operators in the Tamworth region who worked with the Taskforce between October 2006 and June 2007. These operators have provided details of their operations, including costs, through a daily diary that was compiled into monthly reports. This information is being thoroughly examined by the financial advisors who are developing funding model options.

This Tamworth group participated in discussions on bus operations in rural and regional areas and completed a pilot of the survey issued to all operators.

### **Business Activity Survey**

All operators received a Business Activity Survey that was designed to gather information on costs of operation and time that operators are spending on providing the bus service, administration and maintaining the bus(es).

Thank you for the time taken to complete these surveys. I understand that this request came through while many operators were completing their first annual self assessment under the Bus Operator Accreditation Scheme and this created an added pressure. Unfortunately it was essential that this information be gathered at this time for input into the development of funding model options.

Your assistance in providing the information sought in the survey will assist the Taskforce in getting the options right.

Further information is also being sought from some commercial operators. Again I thank you for your assistance in providing the information as requested.

### **Travel Pattern Survey**

During June a telephone survey was undertaken with residents in the Tamworth Region, seeking information on their current travel patterns. This survey asked questions on where people went and how they got there. This has provided us with information on how people travel to work or school and the time they are travelling as well as how they travel for other purposes, such as recreational activities and medical appointments.

Residents from Tamworth as well as the surrounding villages were surveyed and we ensured that both males and females from various age groups were included.

Information obtained from the survey will be used by the Taskforce in the development of service planning guidelines to apply to service provision in rural and regional areas.

### **Contracts**

The Taskforce has been working to develop contracts that are straight forward and easy to understand. There is likely to be a greater emphasis on community consultation and operators working together to ensure the best services are provided for the local community.

The Government remains committed to issuing contracts to operators who chose to remain in the industry. There is no intention to force amalgamations. However, where a number of contracts are held by the same operator, it is likely that these will be bundled into one contract as this will provide administrative efficiency for both the operator and the Ministry.

### **Implementation of the Reform**

During the last quarter of 2007 the Taskforce will assist with developing implementation options for rolling out the reform program, for Government's consideration.

A key part of any implementation option will involve operator briefings, as well as written information providing details of changes, explaining provisions of the new contracts and setting out how operators can meet their obligations.

It is also intended that information packages be made available to operators prior to operator briefing sessions so that you will be informed of the new arrangements and will then have the opportunity to ask any questions at these forums.

The Ministry and the BCA will work together to develop a comprehensive communication strategy. I will also provide regular updates through this Newsletter.

### **Transitional Regulation**

On 1 September 2007 the new Passenger Transport Regulation 2007 became effective. Part 13 deals with valuing assets where an operator wants to exit the industry. This regulation has been made in consultation with the bus industry and will operate to protect against any fire sale of assets in the event of an operator choosing not to participate in reform. For your convenience the regulation is available on the Ministry's website.

If you need any more information about rural and regional bus reform please call Deb Sutton direct on (02) 9268 2262.



**Jim Glasson**

**Director-General**

**14 September 2007**