



Queensland Bus
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Submission to the OPT Review Green Paper

Introduction

The Queensland Bus Industry Council welcomes the opportunity to respond to the Opportunities for Personalised Transport Review Green paper.

The Green paper is comprehensive in its coverage of the regulatory and safety issues and possible guiding principles as they relate to the emergence of disruptive technologies, big data, future autonomous vehicles etc. and what this might mean in the context of personalised transport services in the future and just as importantly the intersection of these with public transport in the future.

The Green paper has a very specific focus on a future single integrated transport network but does not adequately canvas as a foundation principle the role of public transport and why it is provided and how it may act as a solution to first and last mile issues. QBIC's response will not directly address all of the scenarios outlined in the paper, many of which are not directly related to public transport or the bus Industry. The response will however provide a high level policy view of issues raised that the industry is happy to further discuss

Public Transport and the Bus Industry

As noted in the Green paper (page 17) the bus industry carries the majority of Queenslanders each year. Public Transport, whether it be mass or social transit in our cities or regions provides more than a customer service experience. Public Transport of which bus is the work horse of the sector is a government subsidised service that is provided to the public to deliver a range of policy outcomes that is more than just the transport or mobility outcome of moving people from A to B, to get to work, to school, to social, recreational and sporting events or services.

Public Transport is part of the broader solution to address the future sustainability of our land transport systems and the key challenges of:

- Congestion Management
- Environmental Improvement
- Social Inclusion
- Personal Health and Safety
- Energy Security

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This focus is the foundation of the Bus Industry's "Moving People" research, policy and program initiatives developed by the Bus Industry Confederation of which QBIC is a member – The Bus Australia Network.

QBIC simply raises this to emphasise to the Taskforce, that the opportunities for future personalised passenger transport services also needs to be canvassed in the broader context of Government policy outcomes and the challenges for example of an ageing and growing population, increasing urban congestion in our cities, social exclusion in our less populated areas, and future road pricing.

A recent paper by Professor David Hensher of the Institute of Transport and Logistics at the University of Sydney titled "Future bus transport contracts under mobility as a service regime in the digital age: are they likely to change" offers an interesting forward looking insight into some of the challenging questions that need to be addressed in regard personalised transport services like Uber, Lyft, Blah Blah car, RydHero Micro Transit and driverless vehicles. A copy of the paper is attached to this submission.

Universal Service Obligations (USO) Community Service Obligations (CSO), Minimum Service Levels (MSL)

The retention of what customers (the public) currently get in relation to USO, CSO and MSL obligations currently in place that delivers the core levels of taxi and public transport services (sometime depending on where you live), that are provided at a set price and reviewed regularly by Governments should be the baseline at which this discussion about future transport services begins. A review to update these minimum service levels to meet the " first and last mile" and late night service "holes" could be a first step for the Taskforce to consider before moving to integration of taxi and ride share.

The subsidy paid by Governments to deliver public transport services cannot be measured simply on a per passenger subsidy but on the basis of what it delivers in a social, economic and environmental sense. The taxi industry and ride sharing services are commercial in nature and are mainly unsubsidised. It is often argued that this is in fact a saving for Government compared to the cost of public transport. As outlined above public transport delivers a range of benefits that could be termed externalities that far outweigh the cost of the Government subsidy to deliver the service.

This an important factor when considering the value and cost of delivering last and first mile services or late night services, possibly by taxi, using an integrated Go Card fare and ticketing arrangement as compared to increasing the frequency of bus services (minimum of 30 minute frequency and 5 minute in peaks) and span of operating hours (minimum of 6am to Midnight) of bus services and meeting a minimum requirement of having an accessible bus stop within 400 meters of every home. These minimum service levels for public transport services should be maintained and implemented by Government and first and last mile services by taxi only provided as a last and interim resort.

Last and first mile services if implemented should not be the sole domain of taxis and ride share businesses but also be open to any provider who wishes to compete in this space, including bus operators.

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The term ‘anchor institutions’ is commonly used to refer to organisations that have an important presence in a place, usually through a combination of being employers, purchasing goods and services in the locality, controlling areas of land and having relatively fixed assets (Netter Centre, 2008). Although bus operators are not necessarily large firms, in most cases they are one of the largest, if not the largest, firm in many Australian regional/rural communities, and often one of the oldest. Recent operator consolidation has seen many bus operators disappear from many Australian communities. However, local bus and coach operators still exist in many Australian communities where other businesses, such as newsagents, hotels, hardware shops, butchers, bakers, and medical practitioners have disappeared.

As anchor firms, bus operators have a large stake in the local area and, because of the nature of their purpose and their trans-generational tenure, they cannot easily relocate. Operators have a varying degree of influence on their local area pursuant to their history, activities, resources, associations, the political landscape and their community’s socio-economic situation. This facilitates a range of ways that they can leverage their assets and revenue to benefit the local area. Bus and coach operators can broaden their outlook on their business and/or diversify their business model and transition their business to become total local transport providers, rather than just bus operators. In doing so, they would be leveraging their assets to benefit the local community, and quite possibly be adding to the tenure and sustainability of their business.

The current ‘crunch’ of rising demand on public services and the scarcity of resources to satisfy that demand has created a need for initiatives that will assist government realise their transport objectives in a manner that capitalises on economies of scale, and maintains the highest standard of public safety and ensuring that local stakeholders’ money is being invested to maximise social value. One such opportunity for local, state and federal governments, is to leverage a local bus and coach operator’s community anchor status, with their voluntary professional association, and align their objectives developing an ‘anchor network’ of one-stop-shop local transport providers who can deliver a diversified range of both scheduled and demand responsive local transport options to perennially facilitate community prosperity, particularly in regional and rural areas.

This would require some flexibility clauses to be factored into existing bus contractual arrangements to provide this commercial option for bus businesses.

Ride Share, Personalised and Passenger Transport Services, Safety and Regulation

QBIC welcomes the values and five guiding principles identified by the Taskforce: Accessible, Accountable, Customer focused, Innovative and Safe and support for a “flexible legislative framework that accommodates future progression and supports innovation”.

QBIC supports a flexible approach to bus contracts and innovation within the bus sector to open up opportunities for expanding the bus industry’s expertise in the passenger transport business, in the form of improving the current public transport delivery format through technology and on demand/responsive services and at the same time look at the existing contractual and operational framework to identify the

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opportunity in the Mobility as a Service(MaaS) business model. As per the Harper report “The use of technology to foster new markets provides more consumers with access to what they want and need, potentially including low income consumers”. This is a clear opportunity for the Taskforce to investigate the role of the bus industry as part of the personalised transport futures for existing and future user of bus, bus variants and possibly other bus operator delivered services.

The opportunities for the future and innovation in transport services must at the same time deliver an effective and safe mobility outcome that operates within a performance based regulatory framework that ensures the safety of the most precious of cargo. De – regulation is not an option. QBIC also believes that the findings of the Taskforce should be applied to all of Queensland and not just South East Queensland.

Personalised transport services should not be just driven by competition policy and customer demand. These services should not be able to operate commercially simply on the basis of being low cost, this just equates to non - compliant services if measured against current requirements for taxis and buses. Lowering the bar should not be an option.

The commercial cost base of all passenger services should include core regulatory, safety and insurance costs that delivers a level playing field and most importantly the delivery of safe services for the passenger, the driver and the general public.

A lowering of the existing safety and operating regulatory framework would be a retrograde step. The bus industry does not support lowering the current regulatory requirements to deliver passenger services. Most state-based accreditation regimes centre on: the vehicle; the driver and; the owner/operator. Providers of ride share services should have the same obligations to as to be operating in the best interests of public safety.

The level of regulation required to deliver safe drivers, vehicles and passenger safety and protect drivers should be discussed, but the view of the bus industry is that existing regulatory requirements to operate passenger services should be retained and applied to all passenger services including taxi, ride share services, community transport services, and all bus services. This includes for example, police check, driver authorisation, fatigue management systems, drink driving management, identifiable vehicles, age of fleet, passenger and driver in vehicle security and alarm systems and mandatory, scheduled, independent safety inspections (roadworthy certificates).

The public should expect that Governments ensure the delivery of the same level of safety for passenger, drivers and the public no matter what service or vehicle they use. Price and “so called” customer demand should not be a determinant of who can or cannot operate.

QBIC is also concerned about Compulsory Third Party implications for ride sharing services as compared to premiums paid by buses and taxis currently. This anomaly needs to be addressed to ensure a level playing field in the provision of passenger services and more importantly that passenger and public’s safety is protected and that insurance claims in the event of an accident and injury or fatality are adequately covered.

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Vehicle inspections for all passenger transport service vehicles should be a core requirement and compulsory for all passenger service vehicles. Based on the number of kilometres travelled by these vehicles, and given that they are carrying the general public, ongoing maintenance is vital, including maintaining records and reporting of regular maintenance. This should include the requirement for driver checks of the vehicles such as oil, tyres, lights etc., before going into service.

These inspections are an area that government should devolve to the private sector through an audited authorised inspectors framework.

Accessible Transport Standards

The requirements of the Disability Discrimination Act 2002 and the Accessible Transport Standards and their applicability to ride share services in the view of the bus industry is clear cut. Uber may not own the cars but as a service should be required to provide accessible vehicles as per the compliance requirements of the Act. Ride Share businesses as per the Taskforce reform initiatives need to improve accessibility.

Beyond the requirements of the DDA and Standards, a number of specific fare or travel benefits are provided by the Queensland Government for people with disabilities or who are disadvantaged that need to be considered in the context of integrated ride sharing or taxi fare arrangements. For example, sight impaired people are free to travel on public transport but not taxi.

Integration with Taxi, Ride Share and Public Transport and Infrastructure

The more direct integration of taxi and ride sharing services with public transport is a good concept “creating a single integrated transport network accessible to everyone” as per Qld Transport and Main Roads strategy. However its delivery needs to be considered in the context of a number of factors, that were briefly outlined above and include a) mass transit minimum service levels to access public transport by all in the community b) social transit minimum service levels for people who cannot afford a car, don't drive a car, can't afford a taxi or ride share service c) regional, rural and remote transport and how integration of public transport buses, taxis and other transport assets might be managed in an environment where ride sharing will not have the commercial impetus to operate

QBIC is happy to provide further information about work undertaken by the Bus Industry Confederation in relation to regional, rural and remote populations and research on a program currently running in Warrnambool, Victoria called Connect U that connects the transport need in the community with the many available transport assets available in the community such as public transport bus, taxi, community transport vehicles etc. This is particularly important in areas where it is unlikely for commercial reasons that companies like Uber may not establish itself.

It is extremely important as identified in the Green paper and for the reasons outlined at the start of this submission, that the integration of taxi and public transport services for first and last mile or late night services for example does not undermine the fare structures of public transport. As suggested earlier in this

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paper the first step of the Taskforce and Queensland Government should be to implement and fund minimum public transport service levels to maximise patronage for all services including first and last mile and later night services and provide flexible bus contract conditions to allow bus businesses to compete where this passenger demand exists.

The bus industry would not like to see the use of public transport infrastructure such as the Busway network expanded in any way that would undermine the world leading service and patronage levels and congestion reductions that have been achieved.

If you require any further clarification of this submission, please do not hesitate to contact me.

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