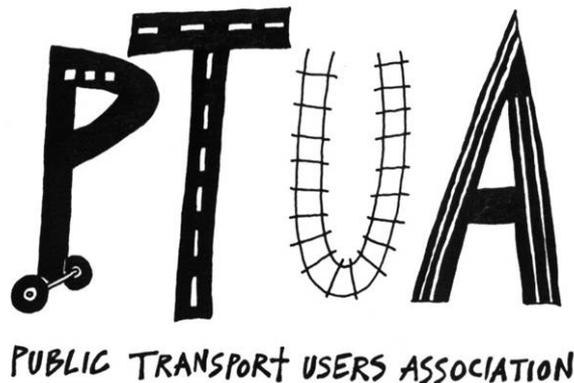


REFORMING MELBOURNE'S BUSES

DISCUSSION PAPER

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About the PTUA:

Founded in 1976, the Public Transport Users Association is the recognised consumer organisation representing passengers of public transport.

The PTUA is a non-profit, voluntary organisation with no political affiliation, which lobbies governments and public transport authorities in the interest of all users of public transport.

Introduction

In 2007, most metropolitan bus contracts are up for renewal. This presents Melbourne with an ideal opportunity to reform the bus network and address long standing inadequacies. In this paper we propose new standards of service to provide a predictable, competitive and usable bus network, along with the necessary contract conditions to enable this outcome.

Around two thirds of Melbourne's population live outside the reach of the train and tram networks and are completely reliant on buses for public transport. With increasing traffic congestion, escalating oil prices, and social isolation being major issues for middle and outer Melbourne, it is critical that Melbourne's bus services are dramatically improved to ensure the future mobility of the people of Melbourne.

Bus Route Structure and Service Level Reform

Melbourne's bus system has evolved largely through historical accident with an almost complete lack of whole-of-system planning. A tangled web of complex routes coupled with poor service levels means Melbourne's buses are highly dysfunctional and poorly patronised. A new planning approach is needed.

The PTUA believes the best outcome for Melbourne requires route and service levels be set by a central planning authority rather than bus operators. The need to reform route and service levels should not be confused with the need to reform bus operator contracts. However, it is vital that the new bus contracts are able to facilitate important route and service level reforms.

Deficiencies with the current bus network

Problems with Melbourne's current bus route structure include:

- **Route Structure** - Routes that snake through countless backstreets aiming to join as many possible origins and destinations within a suburb, thus providing service that is slow (almost uncompetitive with walking), difficult to understand and recall, and expensive to operate with low revenue collection per hour. As a result it is very expensive to run these services at high frequency.
- **Operating Hours** - Most bus services do not operate on Sundays, and finish too early on weekdays and Saturdays. This clearly leaves public transport dependent people with massive restrictions on personal mobility and makes bus services a last resort for those with a choice of modes. Without services running late into evenings, those dependent on public transport cannot participate in social, cultural, educational or employment opportunities outside business hours. This has significant and well documented impacts on society and public health.
- **Inconsistent Service Levels** - Service levels vary markedly and the public is unable to hold any expectations about frequency or hours of service for an unfamiliar bus route. The public transport map fails to differentiate routes that operate once a week from those that operate every 15 minutes on weekdays (eg route 479 is shown on inner city maps but it runs along these streets only twice on weekends). This undermines public confidence in the bus network and limits bus patronage to the captive public transport market.
- **Lagging Urban Growth** - New estates are not provided with public transport services until well after the population has settled and established car dependent travel patterns. The initial lack of public transport forces residents to purchase extra cars and once these investments are made, it becomes difficult to induce patronage when public transport services are finally delivered.
- **Inadequate Passenger Information** - Passenger information is poorly available – with very few bus stops containing timetables, and too many of these timetables being out of date, further undermining public confidence. Likewise there are very few locations where real-time information is available.

Buses for Social Need AND Sustainable Transport

At present, Melbourne's bus network largely fails to provide adequate services to those captive to public transport. As a priority, this great social disadvantage must be addressed through provision of fulltime services to most bus routes.

However, without high frequency of service, buses will fail to attract any 'choice' passengers. This results in continued high subsidies for poorly patronised services that carry mostly concession ticket holders for whom driving is not an option. High frequencies are essential to entice 'choice' passenger away from private car travel. Only high frequency services can start to reduce escalating traffic congestion on Melbourne's road network, derive maximum benefit from existing road infrastructure and provide environment benefits of reduced air pollution.

Studies in Australian cities have shown that services must operate at least every 15 minutes before 'choice' passengers will consider using them. It is important to note that high frequency services attract higher patronage, increase the proportion of full fare passengers and thus lower rates of subsidisation are required.

In Melbourne, the closest example is the current SmartBus program along Blackburn and Springvale Roads providing a fifteen minute service during the day and services later on evenings and weekends. Due to the service improvements patronage grew by up to 31% with much of this growth being full fare passengers.

Structuring Bus Service Levels

The PTUA proposes a two-tier structure of bus services.

This would:

- provide an appropriate future planning framework for services
- recognise there are sometimes different and conflicting demands of bus services, and thus different service styles may be required to facilitate the variety of needs,
- increase the profile of bus services to levels similar to the tram and train networks through the definition of a new standard. This would facilitate the staged upgrading of bus services across Melbourne

The two service levels would be a Principal Bus Network providing (when combined with tram and train services) a backbone network across the entire metropolitan area, and Local Buses providing a supplementary service to reach passenger destinations that cannot be serviced by the backbone network in the short term.

The attributes of the two service levels are defined below:

	Principal Bus Network	Local Buses
Purpose	Provide fast and efficient fulltime transport services across Melbourne that complement the tram and train networks. These services should facilitate both short and long distance travel within the metropolitan area and would cover all major suburban areas of Melbourne. A majority of bus routes would fall into this category.	Connect local residents with shopping precincts, educational and community facilities, and interchange points of the Principal Bus, tram and train networks. These routes would facilitate short distance travel, and connect with the principal bus, train and tram networks for longer distance journeys.
Route structure ¹	Run primarily along all major arterial roads providing direct, frequent and fast connections between major activity centres and transport interchanges. These routes would deviate only for major stopping places (eg large shopping centres or transport interchanges). The Principal Bus Network would service 'cross-town' transport needs, and connections to existing radial rail services. However where rapid train or tram transport links to the CBD are absent, the principal bus network may also provide direct CBD services.	These routes may need to travel on local streets to provide spatial coverage and service mobility impaired passengers. As such they may not be suitable for long distance travel. Therefore it is important that passengers using these services can interchange with nearby principal bus, train and tram networks to minimise total journey time for passengers travelling longer distances. These services should ideally terminate at transport interchange points such as train stations or bus interchanges. The central planning body should design local routes and timetables in consultation with local government, bus operators, relevant community organisations and the local transport users.
Service Frequencies	The principal bus network must provide high frequency services comparable with the train and tram networks. This should include a move to a 10-15 minute daytime frequencies, and 20 minute evening frequencies, in parallel with improvements to the train and tram networks. Minimum frequencies must be applied to all principal bus routes so that passengers can predict service levels on otherwise unfamiliar routes. During peak hours these services should run at least every 10 minutes.	Service frequencies on local bus routes should be at least every 30 minutes, with higher frequencies in peak hours. These services need to offer good connections with the Principal Public Transport Network.
Service Hours	The principal bus network must provide full time services consistent across all routes, in line with train services. As a minimum: 5am to midnight seven days a week (including connections with first and last train services to and from the city). Consideration should be given to after-midnight services on Friday and Saturday nights, as well as nights prior to public holidays. Consistent with train and tram services, these routes should run all night on New Year's Eve.	Local bus services should provide services 6am-10pm seven days a week as a minimum.

¹ In defining these route structures the PTUA believes that the entire metropolitan bus network should be revised to ensure appropriate coverage, improve integration with other modes of public transport and remove any wasteful duplication of service along particular roads.

	Principal Bus Network	Local Buses
Timetable coordination	While it is not possible to coordinate every possible inter-service connection at each interchange, consideration must be given to maximising coordination on primary connection paths (eg suburbs to city connections). Such connections could be accommodated with harmonised frequencies between principal bus and train networks (the 'pulse effect').	Local bus services should be coordinated with major transfer paths at interchanges (eg trains to/from the city).
Rail-bus interchange	Where bus services provide a feeder service to a rail line (or indeed a radial bus route), provision must be made to ensure passengers can transfer from train to bus services as scheduled. This should include some allowance for bus departures to be held to allow for connecting passengers from a late train, without penalty to the bus operator. This would require bus driver visibility of the connecting service. Such allowances may be more generous on less frequent local services than on high frequency principal bus routes. Bus timetables for rail feeder services (particularly for local bus services) should show departure and arrival times of trains at Flinders Street Station.	
Clock-face timetabling	Service timetables should in most circumstances follow an easy to remember minutes-past-the-hour frequency pattern such that passengers can easily deduce the timetable at a particular time of day. The frequency pattern should not change more times than is necessary in a day (eg daytime frequencies on weekends should be uniform all day). A clock-face timetable requires regular service frequencies of exactly 10, 15, 20, or 30 minutes. Higher frequency services (less than 10 minutes) are also acceptable as they do not generally require passengers to consult timetables. One-off services at peak times (eg to cater for school children) should be provided as an addition to the clock-face pattern rather than a disruption to the pattern. Clock-face timetabling would not necessarily apply on weekday peak period where higher frequencies are required.	
Public Holiday timetables	The PTUA believes all bus services should operate to the same timetable as train services ² on all public holidays to avoid confusion and the need for localised information on each public holiday. It would also enable buses to be coordinated with train services.	
Fares	All operator specific tickets must be eliminated as these discourage passengers from taking advantage of an integrated public transport network, and provide an unhelpful element of competition between public transport services. Where higher fares are collected as a result, this should be used to help fund improved service levels. Along these lines, Sunday Saver and group tickets must be sold on buses. Fare zones for buses connecting with train services should be reviewed to ensure that passengers travelling a reasonable distance by bus to the station are not penalised by paying for an extra zone.	
Summer timetables	While the PTUA does not support reduced services in the summer period, any such application of a summer timetable must be for a consistent date range across all modes and not at the discretion of individual bus operators.	
Priority measures	To maximise speed of these services, traffic priority measures should be provided, including dynamic traffic light priority, 'headstart' lanes at intersections, and dedicated bus or high occupancy vehicle lanes.	Priority measures may be appropriate for local bus services once implemented across the Principal Bus Network, or in parallel where implementation efficiencies arise.

² It is noted that tram and train services typically operate to different timetables on public holidays, however that issue is outside the scope of this document.

	Principal Bus Network	Local Buses
Marketing	The Principal bus network should be marketed as part of the overall public transport network. Information on these bus services should be provided in wide-area contexts, including summary route maps showing train and tram connections. The goal should be to ensure the travelling public know where these services run and what service levels to expect, as currently exists with the tram network. Clear distinction of principal bus routes will be essential in raising the current low profile of Melbourne's bus services.	Local bus services would be targeted towards people living within or regularly travelling to a local area. This would include information at local train stations, bus interchanges, shopping centres and other community facilities. If these services are to be promoted on system-wide maps, there should be a clear distinction from Principal routes.
Branding	The PTUA believes all bus services should fall under a common brand (eg Metlink). This means that all buses should carry a consistent livery where the system brand takes prominence over the bus operator brand, as occurs in Perth and on V/Line coach services.	

While significant reform is required in the bus sector (to simplify routes and greatly improve service frequencies and hours of operation) it is important to state that there is ample growth in this market for the bus industry as a whole, and significant improvements to service and value for money are achievable for the public as both passengers and taxpayers.

Bus Contract Reform

Most Metropolitan bus contracts are due for renewal in 2007. The contract renewal process provides an opportune time to revisit the structure of those contracts and ensure the best possible outcomes for public transport users and the best value for money for the State. The following is a summary of the PTUA's views on the new contracts.

Service planning and delivery	<p>The PTUA believes (and has always advocated) that the responsibility for planning, financing and delivery of high-quality public transport rests ultimately with government.</p> <p>We support private operators having a role in service delivery, but believe that the mechanism by which this is done should be based on successful models from overseas. The world's best-practice model is the Verkehrsverbund ('Transport Community') in many cities in central Europe. A central planning authority would collect all fare revenue and co-ordinate timetables, routes and passenger information, contracting out routes to bus companies on a fee-for-service basis. Such an authority would be guided by state and local governments, community groups and service operators.</p> <p>Bus operators would be a natural input on the practicalities of service delivery based on local experience, however the planning authority would play a role in ensuring the best service outcome for public transport users and the best value outcome for the government. It is not inconceivable that the best outcome for a bus operator may come at the expense of timetable coordination, for example.</p> <p>With operators not solely responsible for timetable planning, it will be essential that the planning authority gives due consideration to relevant bus scheduling issues (eg length of route, variability of traffic, need for train connections) to ensure timetables balance the need for reliable punctual services with the need for high bus utilisation (ie allowing for appropriate 'layover' time for buses between service runs). This will require bus operator input.</p>
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Operator payments and incentives

It is important that this arrangement be on a fee for service basis, based on the actual cost to the operator to provide the service (most probably on a fixed rate per vehicle-kilometre or bus operating hour), rather than attempting to give operators 'incentive' for attracting additional passengers (since the responsibility for all the major planning decisions would rest with the central planning authority).

Accordingly, while the structure of payments to operators should primarily reflect the actual cost of the service, a system of bonuses and penalties based on key performance indicators (such as service delivery, on-time performance, cleanliness, and overall customer satisfaction) should be incorporated.

At the same time, it is important for the contracts to recognise any impact on the operators from improved patronage as well as provide incentives to operators to provide the best possible service. For example, if an increase in patronage of a particular service impacts running time, the service timetable should be adjusted rather than penalising the operator for late-running.

A small bonus could also apply on a per-passenger basis, but all fare revenue should continue to be remitted to the central authority.

The attempt to charge individual private operators with the responsibility for growing patronage must be recognised as a failed experiment. Patronage can only grow across the system as a whole, through general service improvements, multimodal integration, timetable coordination and network effects. It would be a mistake if contracts encouraged operators to 'steal' patronage from other bus, train or tram operators (as has occurred with some National Bus services along the Eastern Freeway, where train feeder services were cut in favour of direct CBD services despite longer travel times for passengers).

Customer Service

A customer service charter should be developed to publicly state the system's commitment to passengers. In keeping with the common branding and marketing of the system, this should be a centralised process handled by Metlink. Compliance to the customer service charter should be audited annually by the state government, with penalties for non-compliance.

A centralised standard process should be used for processing customer complaints. It should not be the onus of the customer to identify the operator of any particular service.

Passenger Compensation

Excessively poor performance should trigger compensation to passengers in the form of free daily tickets, as currently provided by tram and train operators. This should be administered by Metlink to ensure a centralised and standard process.

The compensation triggers should reflect poor service in a local area or on a particular route, and not unfairly discriminate against passengers of large bus operators where performance measures are averaged over a larger number of services.

The cost of providing this compensation would be charged to the offending operator.

The charter should reflect, however, that this commitment is additional to and does not replace any other rights passengers may have under consumer protection legislation.

Passenger Information	<p>Metlink should be responsible for production of all standard passenger information, to ensure consistency and quality standards are maintained.</p> <p>Passenger information should represent the full public transport service available in an area and not be biased or unreasonably exclude services provided by any other public transport operator or transport mode.</p> <p>Operators, in conjunction with Metlink and the state government should be responsible for ensuring up to date and accurate information is installed and maintained at bus stops and interchanges. Any uncertainties surrounding maintenance responsibilities must be resolved in the new contracts to ensure blame is not traded between parties.</p> <p>Passenger information should be periodically audited by independent third parties to ensure compliance. The PTUA notes that self regulation of passenger information has failed to ensure adequate information quality on the tram and bus networks.</p> <p>Wherever possible, information must be provided to passengers with regard to services operated by low-floor buses.</p> <p>Bus operators must also be prepared to work with Metlink to enable provision of real time customer information on service disruptions (similar to the current Connex SMS service).</p>
Service Alterations and Upgrades	<p>Contracts need to provide commercial certainty to operators to enable informed decisions, for example, to invest in additional vehicles or employ additional drivers. At the same time, it is important that contracts reserve to the central planning authority the power to vary routes and timetables.</p> <p>There are a number of possible contractual mechanisms for achieving both objectives. One possibility is for the planning authority to be empowered to impose a new route and timetable structure on one fixed date each year, and after any major infrastructure upgrade, with an appropriate notice period to the relevant operator.</p> <p>Where a variation during the period of the contract leads to a reduction in the service required from the operator, allowance must be made for the operator's commitment to the previous level of service. One way this could be done is to stipulate that the operator continue to be paid at the previous level for a certain period of time following the change, although under most circumstances it will be possible to find appropriate alternative applications for that operator's resources.</p> <p>Increases in service mandated by the central planning authority are funded by the authority according to the agreed fee structure. The additional funding may also include capital funding for new vehicles and operator-owned infrastructure.</p> <p>Where a substantial service upgrade is planned, should the existing operator not have capacity to provide the required services, it may be necessary for the planning agency to contract with a second operator to provide the additional services.</p> <p>While an operator may have a 'franchise area', operators they must not unreasonably refuse to facilitate improvements to services as requested by the planning authority. If the operator is unable to facilitate improvements to services, other operators should be allowed to assist in providing</p> <p>Contracts should also provide for the rollout of the Smartbus package of operating hours, frequency and priority improvements across the system.</p>
Marketing	<p>The central agency should be responsible for, and contracts should reflect, the rollout of common 'Metlink' branding across the network.</p>

Bus upgrades	<p>Contracts must also provide for an ongoing programme of infrastructure upgrades. Upgrades to government-owned infrastructure are the responsibility of the government.</p> <p>The contracts should continue to ensure the roll-out of low-floor air-conditioned buses and facilitate the adoption of alternative fuels to diesel (e.g. natural gas and ethanol) in light of continued oil scarcity and the need to combat air pollution. Operators will need to be assisted with this transition.</p> <p>Where road infrastructure upgrades reflect an efficiency gain to an operator (for example, priority treatments on a route improve the speed of buses), contracts should provide for this efficiency gain to be returned in the form of upgraded services.</p>
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Wherever possible the new contracts must avoid situations where:

- Bus operators are competing with other bus operators or other public transport modes for patronage (and as such, archaic restrictions on bus routes that overlap tram routes must be eliminated).
- Bus operators are in any way penalised for increases in patronage.
- Marketing of the broader public transport network is undermined by operator specific initiatives.
- Timetables contain inadequate layover time to enable restoration of punctual services after a delay (a product of a solely per-km payment regime).

