

Sent: Monday, 9 November 2009 4:09 PM
To: IPART Mailbox
Cc: Linton Besser; Daniel Jagers
Subject: Bus fare review

These are my comments about the draft report and determination into Bus fares for Jan2010-Dec2013.

Comment 1 Incorrect Fare Increase % calculation

Page 12 states that fares will increase by "an average of 3.5% per year in nominal terms".

Page 13& 14 give the fare increase for the most common fares (Single + Travel 10) which comprise over 95% of ticket sales and dipped tickets. However only the 10-15 section fares are at this value (3.5%) and all other fares range from 3.6% to 3.95% increase. The two fares which comprise over 2/3 of all fares are at 3.95% for 1-2 sections and 3.9% for 3-5 sections.

Obviously the quoted figure of 3.5% on page 12 is incorrect and grossly understates the true value of the fare increases over the 4 years from end 2009 to end 2013. Any one with a hand held calculator can divide a 15.8% fare increase over 4 years by 4 and arrive at 3.95%. The true value of the fare increase is almost double the nominal inflation rate quoted in the draft report of 2%.

{My estimated error rate on the 3.5% figure is 8.5% based on a true increase rate of 3.8%}

Recommendation

Fare increase percentages be recalculated!

Comment 2 Service Quality

Page 149 states that "the quality of service provided was a key factor in influencing growth in patronage".

This report like the previous IPART reports continues to acknowledge the lack of hard data on the primary metric of service quality "no time running". IPART has advocated fare increases for 4 years without nay guarantee from either STA, private bus operators or The Ministry of Transport and Infrastructure that quality will be measured on "On time running". The much trumpeted introduction of PTIPS the satellite tracking system for STA buses has the capacity to deliver real time "On time running" data.

The secondary metric of crowding on buses has also not been addressed by this carte blanche fare increase for 4 years. Neither STA nor the private bus operators attempt in any way to deliver and metric on bus crowding.

Recommendation

Fare increases for years subsequent to 2010 be predicated on accurate measures of the two primary metrics of service delivery quality "on time running" and "Crowding".

John Mayger