

THE TRIAL DEREGULATION OF INTRASTATE BUS SERVICES BETWEEN
CANBERRA AND SYDNEY : SOME CONSUMER BENEFITS

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ABSTRACT: *This paper describes the regulation of Canberra - Sydney intrastate bus services from 1927 to 1986, the trial deregulation of these services since 17 November 1986, and the initial and subsequent benefits to consumers. The paper concludes that the trial deregulation had four immediate benefits for consumers, namely a 25 percent reduction in the single adult fare, a marked increase in the choice of arrival and departure times, the introduction of extended services within the Australian Capital Territory, and the introduction of innovative pricing policies. By April 1988, three of the four intrastate bus operators had raised fares to the same level which prevailed in October 1986. However, consumers still had access to eight times the number of services that existed just prior to the trial deregulation. The paper suggests that the trial deregulation has enabled at least one major bus operator to reduce costs through better utilisation of both vehicles and drivers.*

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INTRODUCTION

This paper traces the development of State and Federal Government policies on the regulation of intrastate bus services between Canberra and Sydney during the period 1927-1986, the trial deregulation of these services since November 1986, and describes the four main benefits of that deregulation for consumers. The paper differs from the study by the Federal Bureau of Transport Economics (1987) on the trial entry liberalisation of intrastate bus services in New South Wales in three respects. First, it uses the files of the Traffic and Transport Branch of the Office of City Management, ACT Administration, to survey the attitude of successive Government Departments in Canberra to deregulation of the Canberra - Sydney bus route.¹ Second, the paper covers the period up to April 1988, as against 17 May 1987 in the FBTE Study, and identifies further adjustments in the deregulated market. Third, the paper confines itself to a discussion of the Canberra - Sydney bus route, whereas the FBTE Study also covered the Sydney - North Coast corridor. On the other hand, the paper only considers the direct benefits to consumers, as against the more detailed financial impact analysis of the BTE paper.

THE REGULATION OF CANBERRA - SYDNEY INTRASTATE BUS SERVICES 1927-1986.

Prior to the trial deregulation of intrastate bus services in New South Wales, it was claimed that the only licence for an express intrastate bus service between Canberra and Sydney "was originally granted in 1956, though the reason for granting the licence appears to be lost in antiquity" (Federal Bureau of Transport Economics, 1987). However, the records of the Traffic and Transport Branch of the ACT Administration show that in March 1927 the question had arisen as to whether Inter-City Coaches, which was operating between Canberra and Sydney, needed to be registered in the Australian Capital Territory.² At that time, the company was plying for hire under

¹ These files were not used by the Bureau of Transport Economics in its study.

² File No. 71/3595, folio 165

the terms of the 1926 Motor Traffic Ordinance, Part III. Unfortunately, nothing more is known about the company.

During the period 1956 to 1986, one company - Ansett Pioneer - was licenced to operate an express intrastate bus service between Canberra and Sydney. The company operated service from October 1956 to October 1958, when they were discontinued following a ruling by the High Court that Canberra - Sydney journeys were intrastate and not interstate. Following an offer by Ansett Roadlines of Australia to compensate the Department of Motor Transport for loss of co-ordination fund revenue during the two year period, Ansett Pioneer was allowed to recommence operations on the Canberra - Sydney route on 4 May 1959. The licence for the Canberra segment of the route (ie. Canberra City to the ACT/NSW Border) was issued by the relevant ACT administration, whilst the licence for the ACT/NSW border - Sydney segment of the route was issued by the Commissioner of Motor Transport under the State Transport (Co-ordination) Act, 1931. This Act was used to prevent long distance bus services from competing with the government railways, and in the case of Ansett Pioneer, the single licence for the Canberra - Sydney route was issued with strict regulations concerning departure and arrival times.

The monopoly situation on the Canberra - Sydney bus route was tolerated until the late 1960s when other long distance bus operators began to agitate for a Canberra - Sydney intrastate bus licence.³ Table 1 shows that between April 1969 and January 1985, at least twelve applications were made for a Canberra - Sydney intrastate bus licence.

³ The records of the Traffic and Transportation Branch of the ACT Administration show that Mr. R.W. Wilson of Canberra had applied unsuccessfully in 1957 and 1959 for such a licence. See File No. MOSL/70, folio 2

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TABLE 1

Applications For a Canberra - Sydney
Intrastate Bus Licence
1969-1985

| <u>Month</u> | <u>Year</u> | <u>Company</u> |
|--------------|-------------|---------------------------------|
| April | 1969 | Red Line Coaches |
| June | 1969 | Greyhound Express |
| July | 1971 | Murray's Coaches |
| NA | 1972 | Panther Buslines Ltd |
| NA | 1972 | Greyhound Lines of Australia |
| NA | 1981 | Greyhound Coaches |
| NA | 1981 | Australian Associated Tours |
| NA | 1981 | Canberra Cruises and Tours |
| April | 1981 | Murray's Coaches |
| June | 1981 | DeLuxe Coachlines Pty Ltd |
| NA | 1984 | Commodore Coaches Pty Ltd |
| January | 1985 | Richmond Bus & Coach Service |

Source: Traffic and Transport Branch Files, Office of City Management, ACT Administration.

In April 1969, Red Line Coaches applied for such a licence, followed by Greyhound Express in June 1969. The two applications were reviewed in some detail by the Acting Assistant Traffic Officer of the Department of Territories in a report to the Director (Traffic) of the same Department.⁴ The report suggested that the granting of licences to Red Line Coaches and Greyhound Express would do little or no harm to Ansett-Pioneer as both companies would be supplementing the service supplied by Ansett-Pioneer, and went on to comment:

"The question of competition to the Railway service must be considered. Direct rail service between Canberra and Sydney appears to be totally inadequate, time-consuming and inconvenient in that one cannot travel between the two points and return in the same day - thus entailing an overnight stay in Sydney or Canberra and the extra expense involved.... Canberra's population explosion has outdistanced the existing capabilities of Ansett-Pioneer to adequately cover the Canberra-Sydney

⁴ File No. 73/1207, folios 5-13

route - one has only to attempt to obtain a coach seat at peak periods to realise this - and for this reason, the public is forced to use other forms of transport they may not wish to use and there are indications that coaches would be a popular choice."5

The report went on to point out that Greyhound Express already had carried a total of 74 passengers between Canberra - Sydney as part of its Melbourne - Sydney express services between March and May 1969, and that tickets for these journeys had been sold by the Canberra Tourist Bureau. However, this practice did not last very long because "Ansett Pioneer complained to the Department of Motor Transport, NSW of this illegal operation and the Tourist Bureau ceased to write any more tickets for Greyhound".

The report concluded that there was a demand for a Canberra - Sydney service, and proposed that the Department of Motor Transport in Sydney be consulted at the earliest opportunity to discuss the whole problem.

On 19th January 1970 the Manager of the Canberra Tourist Bureau wrote to the Director of Traffic at the Department of the Interior, and recommended that both applicants be given favourable consideration from a tourist viewpoint.6 However, the Assistant Director Operations took the view that the points made by the Manager of the Canberra Tourist Bureau would hardly substantiate an approach to the Department of Motor Transport in New South Wales for a policy review, and suggested in a Minute to the Director on 21st January 1970 that "we write to the applicants advising them that we have not been able to establish that there is sufficient demand at this time to warrant the issue of licences..."7 This was done by the Registrar of Motor Vehicles on 23rd April 1970.8

Early in 1972, Panther Buslines Ltd and Greyhound Lines of Australia both applied to the Department of Motor Transport for permission to convey passengers between Canberra and Sydney in conjunction with their Melbourne - Sydney interstate operations. Both applications were refused and in a letter to the Department of the Interior in May 1972, the Secretary of the Department of Motor Transport remarked:

- 5 File No. 73/1207, folios 9-17
- 6 File No. 73/1207, folios 14-15
- 7 File No. 73/1207, folio 16
- 8 File No. 73/1207, folio 17

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"...any future application for permission to convey passengers between Canberra and Sydney will be answered on the basis, that whilst approval from both the Australian Capital Territory Authorities and this Department is necessary, the first requisite is for the ACT Authorities to be convinced that there is a demand in excess of that being provided for by the existing licenced operator".⁹

In October 1973, the Federal Minister for Transport, Mr Charles Jones, was queried about Ansett Pioneer's monopoly of the Canberra-Sydney bus route, and made the following answer in the House of Representatives:

"My understanding of the position is that on interstate transport no licensing is necessary. I was of the impression that the Australian Capital Territory was in a similar category to the States but I have since found out from my inquiries into this matter that the High Court in the past has ruled that the ACT is not a State and therefore the protection of Section 92 of the Constitution does not prevail. So the New South Wales Government policy of granting only one licence is paramount and we can do nothing about it. We could issue a licence for travel to the border of the ACT but that licence would have no effect in New South Wales. I think it is about time the NSW Government provided some competition on the Sydney to Canberra run and treated it as an interstate journey, permitting free and open competition ...".¹⁰

THE CURLEWIS REPORT

The following year, the carriage of passengers on both interstate and intrastate buses within New South Wales was investigated by the Curlewis Report. (Parliament of New South Wales 1974). In the case of interstate operations, the Curlewis Report stated that Ansett Pioneer, Murray Valley Coaches, Greyhound Express and Cobb and Co. had all "sought a recommendation that they be permitted to carry passengers wholly within NSW". However, the Report recommended that "except in special circumstances approved by the Department of Motor Transport, permission should not be granted for the conveyance of intrastate passengers on interstate omnibuses". Turning to intrastate operations, the Curlewis

⁹ File No. 71/2808, folio 14

¹⁰ Parliamentary Debates, Vol. H of R 86, 1973 p. 1933

Report stated that these included Sydney - Ballina, Sydney - Port Macquarie, Sydney - Broken Hill and Sydney-Canberra, and recommended that "applications by intrastate operators to extend their existing rights to provide for pick-up facilities within a defined area should be granted by the Commissioner of Motor Transport, subject to protection being given to operators of local services". Neither of these recommendations allowed for the Canberra - Sydney bus route to be deregulated through the lifting of entry restrictions, and the matter rested there until the late 1970s when a Federal Parliamentary Committee looked at tourism and the role of buses.

SELECT COMMITTEE ON TOURISM

The regulation of interstate bus services generally was briefly considered by two reports of the House of Representatives Select Committee on Tourism (1977 and 1978). Both reports noted that long distance coaches were not able to pick-up and set-down passengers within a State at will, and recommended that the matter be resolved by the Australian Transport Advisory Council. Although the reports did not refer to either New South Wales or the Canberra - Sydney bus route in particular, they did evoke a detailed response from the New South Wales Ministry of Transport and Highways.¹¹ In a letter to the First Assistant Secretary of the Federal Department of Transport on 8th November 1979, the Under Secretary of the Ministry of Transport and Highways spelt out the Ministry's policy on the carriage of intrastate passengers by interstate coach operators:

"The proposal by the House of Representatives Select Committee on Tourism is not quite clear but it would seem that the ultimate aim is that there be a complete relaxation of restrictions placed on interstate operators as far as the carriage of intrastate passengers is concerned.

A relaxation in policy to that extent would no doubt have a harmful effect on the patronage of rail services which, of course, would be a matter of grave concern to the Government. In addition, the viability of locally operated interstate bus services would be jeopardised. Moreover, as you would be aware, the Government has injected millions of dollars into upgrading railway track and rolling stock and this programme is continuing. It is felt

¹¹ File No. 81/1880, folios 111-112

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that it would be quite inappropriate, at a time when the Government is doing everything possible to encourage people to make greater use of rail, to relax conditions for long distance bus operators which could result in passenger trains not running to capacity.

In all the circumstances, any further relaxation of present policy in favour of the recommendation of the House of Representatives Select Committee on Tourism has not been favoured". These comments make it clear that in 1979 the New South Wales Government still would not allow Melbourne - Sydney interstate coach operators to pick-up and set-down Canberra - Sydney passengers.

1981 APPLICATIONS

In 1981, five companies - DeLuxe Coachlines Pty. Ltd., Greyhound Coaches, Australian Associated Tours, Canberra Cruises and Tours, and Murray's Coaches - applied to both the NSW Department of Motor Transport and the Department of the Capital Territory for permission to run daily return coach services between Canberra and Sydney.

The proposed new service by Murray's Coaches was examined by the Australian Capital Territory House of Assembly (1981) which recommended that "the Minister for the Capital Territory be urged to discuss with the NSW Minister for Transport, the introduction of an additional coach service between Canberra and Sydney and seek his co-operation in approving that service as a matter of urgency". The report noted that the return fare was expected to be \$40, including a meal, and suggested that competition between the coach lines would ensure the maintenance of high standards and passenger satisfaction.

The application by DeLuxe Coachlines Pty Ltd in June 1981, claimed that lack of competition on the Canberra - Sydney route was resulting in unsatisfied demand, and went on to argue:

"As this is considered a major intercity and intercapital route by both the public and the travel industry, it is a great shame that only one operator is allowed to service it. Our office in Sydney receives numerous requests every day to carry passengers Sydney - Canberra and Canberra - Sydney which we are not able to do at present. On all other major intercapital routes there are several

operators and this free enterprise competition has kept prices down and standards up."12

The application by DeLuxe Coachlines noted that Ansett Pioneer was charging \$22 for a one way adult fare, and proposed \$17 for a one way adult fare and \$34 for a return adult fare.

The Secretary of the then Department of the Capital Territory, wrote to the Managing Director of DeLuxe Coachlines on 27th August 1981 and advised that the Minister for the Capital Territory was "a strong supporter of the extension and diversification of transport links between Canberra and other major cities and would generally favour granting a licence such as you are seeking."13. However, the application by DeLuxe Coachlines to the New South Wales Minister for Transport was not successful.

REVIEW OF INTRASTATE LONG DISTANCE BUS SERVICES

In September 1985, the Department of Motor Transport was directed by the New South Wales Minister of Transport to review intrastate long distance bus services in New South Wales. The review was given the following terms of reference:

1. To outline the policies and practices of regulating intrastate long distance bus services (those carrying passengers over distances in excess of 80km within New South Wales).
2. To prepare a statement of current intrastate long-distance road and rail passenger services and the anomalies arising from the current policies and practices.
3. To assess the benefits and costs of regulating intrastate, long-distance bus services. This assessment will include:
 - (a) the need for regulation of vehicle standards to provide passenger safety and comfort;
 - (b) the regulation of long-distance bus driver training, licensing and behaviour;

12 Letter from Managing Director, DeLuxe Coachlines to Minister for Transport, 25 June 1981, File No. 825/1Y, folios 158-159.

13 File No. 81/371, folio 162.

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- (c) the effects of existing regulation on the convenience and availability of long-distance passenger services within New South Wales;
 - (d) the need to protect existing rail and bus services by restricting the operation and extension of long-distance bus services; and
 - (e) the likely effects of relaxing restrictions over long-distance bus services, including the costs and benefits to the public, bus operators and the Government.
4. To advise on the need for improved country passenger transport services and, in consultation with the State Rail Authority, the Bus and Coach Association, the Labour Council, the Local Government Association and others, to recommend how this may be best achieved through the operation of long-distance bus services.

The Federal Bureau of Transport Economics (1987) claims that the review "was initiated as a result of complaints from the public that they were not allowed to use existing interstate and intrastate bus services passing through towns. Another factor influencing the decision to undertake the review was the recognition by the New South Wales Government of the transport needs of tourism in the State". However, a third factor could well have been a decision by the New South Wales Government to deregulate long distance bus services in order to forestall similar action by the Federal Government under the Interstate Road Transport Act 1985. As is discussed below, the Act gave the Federal Minister for Transport the power to pass regulations which would deregulate transport between prescribed places, such as Canberra and Sydney. In a Minute to the Federal Minister for Transport in October 1985, the Director (Transport Planning) of the Department of Territories referred to the forthcoming trial deregulation on two major NSW routes, and suggested that one of the reasons for the trials was a "desire by NSW to get in first to deregulate Sydney - Canberra before the Federal Government does and possibly take the pressure off the need for the Federal Government to consider deregulating other ACT - NSW services under the Inter-State Road Transport Act".¹⁴

In a submission to the NSW Review of Intrastate Long Distance Bus Services, the Department of Territories (1986) argued that the existing Canberra - Sydney

¹⁴ File No. 87/0832

coach service had been largely immune to the effects of increased competition experienced on other intercapital routes and suggested that competition "would allow operators who could offer lower fares and higher levels of service at a lower cost to the community to enter the market".

REVIEW OF ACT COACH SERVICES TO NSW

In order to report on reference 3 of the Review of Intrastate Long Distance Bus Services, the NSW Department of Motor Transport proposed the introduction of trial deregulation on two major intrastate routes, namely Canberra - Sydney and Sydney - North Coast. However, before this proposal was put into effect, the Federal Minister for Transport decided to initiate a review of ACT coach services to NSW i.e. Canberra - Yass, Canberra - Narooma, Canberra - Kosciusko, Canberra - Cooma, Canberra - Thredbo, Canberra - Wollongong, Canberra - Sydney, Canberra - Bega, Canberra - Orange, Canberra - Queanbeyan, and Jervis Bay (part of the Australian Capital Territory) to Nowra. The reason for this second review was the introduction of the new Interstate Road Transport Act, 1985 which allowed for the overriding of existing State controls on bus services between the ACT and New South Wales. The key sections of the Act in this respect are Sections 4, 8 and 52. Section 4 of the Act defines the carriage of passengers or goods between prescribed places i.e. places that are more than 100 kilometres apart as "the carriage of passengers or goods, in trade or commerce, between -

- (a) a place in a State and a place in another State;
- (b) a place in a State and a place in a Territory;
or
- (c) a place in a Territory and a place in another Territory."

Section 8 (1) of the Act provides that a person shall not drive a motor vehicle in the carriage of passengers or goods between prescribed places unless the motor vehicle is registered either under the Act, a law of a State or a law of the Australian Capital Territory.

Finally, Section 52 provides that a person holding a federal operator's licence is not required to hold a State or Territory licence or authority before engaging in operations between prescribed places.

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In a press release which was issued in September 1986, the Federal Minister for Transport stated the Act did not automatically deregulate all services between the ACT and NSW, but claimed that it made it possible to deregulate on a route by route basis.¹⁵

In November 1986, the Department of Territories (1986 b) made a seventeen page submission to the Minister for Transport's Review of ACT Coach Services to New South Wales. The submission argued that the market place was the best mechanism for the economic regulation of the coach industry, and suggested that there was no valid reason for protecting certain bus routes from the limited form of deregulation possible under the Interstate Road Transport Act 1985. As regards the Canberra - Sydney route in particular, the submission commented:

"On the Canberra - Sydney route, for which one operator holds the licence, services are regular and demand is high. However, restrictions on permitted departure times are imposed upon the service in order to protect the rail service. This adversely affects demand. The removal of these restrictions would result in higher overall patronage, and the tourism implications of more convenient departure times are significant."

TRIAL DEREGULATION

Faced with the possibility that the Commonwealth Government could use regulations under the Interstate Road Transport Act 1985 to override the provision in the New South Wales State Transport (Co-ordination) Act in relation to intrastate coach services between Canberra and Sydney, the NSW Department of Motor Transport decided to deregulate such services on a six months trial basis as from November 1986. Four companies were granted permits to operate express services over the Canberra - Sydney corridor, namely Murray's Coaches, Deluxe Coachlines, Ansett Pioneer and Greyhound. The trial deregulation subsequently was extended in June 1987 from 30 May 1987 to 31 October 1987. Since then, there have been two further extensions from 1 November, 1987 to 7 April, 1988 and from 8 April, 1988 to 1 July, 1988.

¹⁵ Review of ACT Coach Services to NSW, Media Release, Minister for Transport, No. 177/86

CONSUMER BENEFITS OF DEREGULATION

The trial deregulation of intrastate bus services between Canberra and Sydney had four immediate results for consumers. First, consumers benefited from a substantial reduction in fares. Details of the fares charged by intrastate coaches on the Canberra - Sydney route between May 1969 and April 1988 are set out in Table 2. The table shows that the single adult fare remained fixed at \$7.30 from May 1969 until July 1971. However, there were substantial increases during the next ten years and the single adult fare reached a peak of \$27.00 in September 1983. The fare fell back to \$25.00 in January 1984 (in order to match lower rail fares associated with the introduction of the high speed XPT rail passenger service), rose again to \$26.00 in May 1985, and then fell to \$20.00 in October 1986.

Table 2

Canberra - Sydney Intrastate Bus Fares
May 1969 - April 1988

| | Single Adult \$ | Return Adult \$ |
|----------------|-----------------------|-----------------------|
| May 1969 | 7.30 | 12.20 |
| January 1970 | 7.30 | N.A. |
| July 1971 | 7.30 | 12.20 |
| July 1976 | 11.50 | 22.50 |
| January 1983 | 25.00 | 45.00 |
| September 1983 | 27.00 | 49.00 |
| January 1984 | 25.00 | 49.00 |
| May 1985 | 26.00 | 51.00 |
| October 1986 | 20.00 | 50.00 |
| November 1986 | 15.00 | N.A. |
| March 1988) | 17.00 (a) | N.A. |
|) | 18.00 (b) | N.A. |
| April 1988) | 19.00 (a) | N.A. |
|) | 20.00 (b) | N.A. |

(a) Murray's Coaches

(b) Greyhound, Pioneer Express and DeLuxe Coaches

Source: Traffic and Transport Branch Files, Office of City Management, ACT Administration; Published Fare Schedules.

Following the lifting of entry restrictions in November 1986, the single adult fare dropped by 25 per cent to \$15.00. In the case of Ansett Pioneer

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16, the reduced fare was made possible by better utilisation of both buses and drivers. Prior to the trial deregulation, the company was only able to make one trip per day with a bus (ie. Canberra - Sydney or Sydney - Canberra), and had to pay drivers' wages for eight hours even though the restrictive timetabling only allowed drivers to work for 5 1/2 hours.

Following the move to deregulate intrastate coach services between Canberra and Sydney, Pioneer Express has been able to get 8 - 9 hours of driving out of its drivers per shift. In addition, its buses now make 1 1/2 return trips per day (partly as a result of greater flexibility in time-tabling and partly as a result of improved road conditions). The single adult return fare remained at \$15.00 until March 1987 when Murray's Coaches raised the charge to \$17.00, and Greyhound, Pioneer Express and DeLuxe Coachlines to \$18.00. In April 1988, Murray's Coaches raised the single adult fare to \$19.00, and the other three operators to \$20.00.

Second, consumers were offered a much greater choice of departure and arrival times. Prior to the trial deregulation, Ansett Pioneer was licenced to provide two daily services each way between Canberra and Sydney. (Table 3)

Table 3

Bus Timetable Ansett Pioneer
Daily Services Canberra-Sydney-Canberra
October 1986

| Canberra - Sydney | | Sydney - Canberra | |
|-------------------|----------|-------------------|----------|
| Dep. Canberra | 7.30 am | Dep. Sydney | 7.30 am |
| Arr. Sydney | 11.30 am | Arr. Canberra | 11.30 am |
| Dep. Canberra | 5.45 pm | Dep. Sydney | 3.15 pm |
| Arr. Sydney | 9.45 pm | Arr. Canberra | 7.20 pm |

Source: Timetable supplied by Pioneer Express.

Following the granting of permits to four companies, the number of services expanded to forty-five per day. The number fell to forty by March 1987, and to thirty-two by April 1988. (Table 4)

16 Ansett Pioneer was sold in July 1986 to Pioneer Tourist Industries which traded as Ansett Pioneer until 16 January 1988 when the name was changed to Pioneer Express

Table 4

Daily Express Bus Services Canberra - Sydney
and Sydney - Canberra, April 1988

| Operator | Canberra - Sydney | Sydney - Canberra |
|-------------------|----------------------|----------------------|
| Pioneer Express | 9 | 9 |
| DeLuxe Coachlines | 3 | 3 |
| Greyhound | 2 | 2 |
| Murray's Coaches | 2 | 2 |
| | <hr/> | <hr/> |
| TOTAL | 16 | 16 |

Source: Published Timetables.

Nevertheless, this was still an eight-fold increase on the number of services offered by the single operator Ansett Pioneer prior to the trial deregulation, and meant that consumers were able to travel to and from Sydney in the one day, with up to 8 3/4 hours in Sydney for business or shopping. The dramatic improvement in the choice of arrival and departure times can be seen from a comparison of Tables 3 and 5.

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Table 5

Bus Timetable Pioneer Express
Daily Services
as at 20 March 1988

| Canberra - Sydney | | Sydney - Canberra | |
|-------------------|---------|-------------------|---------|
| Dep. Canberra | 7.00am | Dep. Sydney | 7.30am |
| Arr. Sydney | 11.15am | Arr. Canberra | 11.45am |
| Dep. Canberra(a) | 6.30am | Dep. Sydney | 8.00am |
| Arr. Sydney | 10.45am | Arr. Canberra | 12.10pm |
| Dep. Canberra | 8.00am | Dep. Sydney | 10.30am |
| Arr. Sydney | 12.00pm | Arr. Canberra | 2.40pm |
| Dep. Canberra(b) | 9.30am | Dep. Sydney | 1.00pm |
| Arr. Sydney | 2.15pm | Arr. Canberra | 5.00pm |
| Dep. Canberra | 1.00pm | Dep. Sydney | 3.15pm |
| Arr. Sydney | 5.00pm | Arr. Canberra | 7.30pm |
| Dep. Canberra | 1.30pm | Dep. Sydney | 3.15pm |
| Arr. Sydney | 5.45pm | Arr. Canberra(a) | 7.45pm |
| Dep. Canberra(a) | 2.30pm | Dep. Sydney | 4.30pm |
| Arr. Sydney | 7.00pm | Arr. Canberra | 8.15pm |
| Dep. Canberra | 6.00pm | Dep. Sydney | 6.00pm |
| Arr. Sydney | 9.50pm | Arr. Canberra(a) | 10.30pm |
| Dep. Canberra(a) | 5.45pm | Dep. Sydney | 8.00pm |
| Arr. Sydney | 10.15pm | Arr. Canberra(a) | 12.15am |

(a) Woden

(b) Belconnen

Source: Pioneer Express, Timetable No. 10,
Effective 20th March 1988.

The wider range of arrival and departure times has been an important factor in the increased demand for intrastate bus services between Canberra and Sydney since the start of the trial deregulation. As "all consumers have ideal departure times and ideal departure and arrival points, the provision of a greater range of departure times and locations must have generated an increase in the welfare of consumers" (Carnahan).

Third, consumers were offered new extended services within the Australian Capital Territory. Prior to the trial deregulation, services had always

originated and terminated in Canberra city. However, following the trial deregulation, services were extended to the two satellite cities of Woden and Belconnen.

Fourth, innovative pricing policies were introduced for pensioners, students and children. For instance, Pioneer Express introduced a special one day return fare of \$24.00 which has attracted a considerable number of business journeys.

DEMAND RESPONSE

Demand for bus services during the first six months of the trial deregulation increased by over 80 per cent as compared with the same period twelve months earlier. Diverted traffic jumped by 52,000 passengers, whilst generated traffic increased by 8,000. (FBTE, 1987). Since the completion of the FBTE study, it appears that the major operator Pioneer Express, has experienced even further increases in demand. Thus the figures in Table 6 suggest that demand for Pioneer Express services has risen by 120 per cent since April 1986.

Table 6

Pioneer Express
Number of Passengers Carried
Per Week

| Week Ending | Passengers |
|-------------|------------|
| 29.11.1985 | 1,076 |
| 11.04.1986 | 1,167 |
| 29.11.1986 | 1,820 |
| 02.04.1987 | 2,143 |
| 02.04.1988 | 2,567 |

Source: Data made available by Pioneer Express.

SUMMARY AND CONCLUSIONS

During the period 1927 to 1986, only two companies (Inter-City Coaches and Ansett Pioneer) were allowed to operate coach services between Canberra and Sydney. Little is known about the history of Inter-City Coaches and the date when they ceased operations. However, between 1956 and 1986, Ansett Pioneer held the only licence to operate an express intrastate bus service between Canberra and Sydney. During the period 1969 to 1986, numerous

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applications were made by other companies for an intrastate licence. But whilst the ACT Administration was sympathetic to these requests and saw a number of benefits to consumers from increased competition on the Canberra - Sydney route, the NSW Department of Motor Transport maintained entry restrictions in order to protect the government rail services.

In November 1986, the NSW Department of Motor Transport agreed to a trial deregulation of intrastate coach services between Canberra and Sydney, and this trial subsequently has been extended on a virtually permanent basis. The trial deregulation had four immediate benefits for consumers, namely a 25 per cent reduction in the single adult fare, a marked increase in the choice of arrival and departure times, the introduction of extended services to the Woden town centre and Belconnen within the Australian Capital Territory, and the introduction of innovative pricing policies. Since then one operator has raised the single adult fare by 26.7 per cent, whilst the other three operators have raised the fare by 33.3 per cent. In addition, the number of daily services has been reduced by 28.9 per cent. However, consumers still have access to eight times the number of services that were available prior to the trial deregulation, (not to mention extended services to the Woden Town Centre) and one company - Murray's Coaches - is still offering a single adult fare 5 per cent below the fare which that company charged in October 1986, one month before the trial deregulation.

During the first six months of the trial deregulation, the improved benefits to consumers stimulated demand by over 80 per cent, with 52,000 bus passengers being diverted from other modes of transport and 8,000 new trips generated. In the case of one major bus operator - Pioneer Express - it appears that demand has increased by some 120 per cent during the longer time period April 1986 to April 1988.

In conclusion it is clear that consumers not only have benefited from the trial deregulation of intrastate bus services between Canberra and Sydney since November 1986, but also have responded in a fairly dramatic way to those improved benefits.

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TRIAL DEREGULATION OF CANBERRA-SYDNEY
INTRASTATE BUS SERVICES

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