
Bus Industry Confederation

Industry, Politicians and Jurisdictions Brief
Covid-19 and Bus Services and Bus Manufacturing Sector

Bus Industry Confederation

Bus Australia Network



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Contents

About the Bus Industry Confederation.....	3
Our <i>Moving People</i> Objectives	3
Purpose of this document	3
Covid-19 and the Australian Bus and Coach Industry	4
Route and school bus services – government contracted services.....	4
Key Proposals for safe service operations of buses	4
Key Proposals for business assistance of bus operations.....	5
Key Principles for bus service contracts	5
The De-Regulated Sector – long distance, tour, charter and express services	6
Key Proposals for the De-Regulated Sector.....	7
Bus and Coach Manufacturing Sector	8

Bus Industry Confederation

About the Bus Industry Confederation

The Bus Industry Confederation (BIC) is an organisation uniting bus and coach operators, bus and coach chassis suppliers and manufacturers, bus and coach body manufacturers and any allied trade business or undertaking. Its vision is to enhance the sustainability and liveability of Australia's cities and regions by moving people using bus and coach transportation. We aim to do this by representing the collective interests of our Members and to assist them in promoting the safety, efficiency and effectiveness of bus and coach transport in Australia.

Our Moving People Objectives

- Encourage investment in public transport infrastructure and services.
- Promote policies and actions that are environmentally responsible.
- Promote the development of a viable and improved bus and coach industry in Australia.
- Foster and promote a viable Australian bus manufacturing industry.
- Protect the business interests of operators, manufacturers and suppliers.
- Promote public understanding of the contribution made by the bus and coach industry to Australia's economy, society and environment.
- Ensure the accessibility and mobility needs of Australians are met, regardless of where they live or their circumstances.
- Promote the use of public transport as a viable alternative to the car.
- Coordinate and make more effective existing Federal, State and Local Government policies and programs that relate to passenger transport.
- Ensure that buses and coaches operate safely and effectively.

Purpose of this document

The Bus Industry Confederation (BIC) and the Bus Australia Network (BAN) have long presented the case for public transport services to be recognised as an essential service. The continuation of public transport services under current industrial relations laws is not guaranteed as a result of industrial action such as strikes and withdrawal of labour. Unlike the Qantas case several years ago, public transport is not recognised as an essential service, and the Minister has no “step in rights” to cease industrial action.

The BIC has argued for many years that public transport should be recognised in the Fair Work Act as an essential service. It is the BIC's contention that if public transport services including bus public transport services, (buses carry more passengers per day than any other mode) are stopped due to industrial actions for any prolonged period, it will lead to **significant economic and social dislocation**. It should be noted that public transport is recognised as an essential service in a number of western developed economies.

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By Economic and Social Dislocation We Mean:

Mass transit

Public Transport is a mass transit provider and despite Australia's relatively low patronage/passenger trips taken by public transport, about 8% to 10% of trips, public transport is a major contributor to keeping our cities and regions moving and managing the impact of congestion and its productivity impacts on the economy. If public transport was stopped overnight, cities that generate 80% of the value of Australia's GDP would grind to a halt.

Social transit

Public Transport is a social transit provider and provides a vital link to people who are less well off, without a car, cannot afford a car, cannot drive or don't have a license; public transport *moves people* to connect to services, employment, education, social and recreational activities that are important to an individual's social well-being and their contribution to the economy and society. If public transport was stopped overnight a large part of the population would be socially isolated and the health impacts of this would have a significant impact on the economy and community.

The disruption of mass and social transit on a large scale as a result of industrial action or a health crisis such as the Covid-19 pandemic, demand that public transport is recognised as an essential service and the appropriate action be taken for public transport to continue to operate.

In the case of the Covid-19 pandemic, how public transport can continue to operate and minimise health risk for bus drivers and bus passengers is the key issue at hand that involves state and territory contractual arrangements, bus service operational issues and health risk and management issues.

This is explored further below with an industry perspective for all governments to consider immediately in the case of the current pandemic and put in place an essential service strategy for public transport going forward.

Covid-19 and the Australian Bus and Coach Industry

Route and school bus services – government contracted services

Government contracted public transport services include route or commuter services in our cities and regions that involves high and low volume passenger services related to where the services are provided and the time of day/night and school bus services.

Key Proposals for safe service operations of buses

- **Temperature testing** of drivers and staff.
- **Drivers offered to wear effective masks.**
- **No cash payments**

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- **Rear and middle door entry** where available.
- **A conductor to be introduced** as a temporary measure on all city services and peak town services to manage passenger numbers and seating and cleaning of hard services on bus.

Key Proposals for business assistance of bus operations

- **Suspension of the Road User Charge (RUC)** component of fuel excise for buses and coaches. This would mean a full rebate of fuel excise paid for fuel used for the purposes of bus and coach travel as applies to miners and farmers operating off road. Currently fuel excise is 42.3 cents per litre of which buses and coaches and Industry can claim approximately 16.5 cents per litre as a rebate and the difference is the RUC which is currently frozen at 25.8 cents per litre. **Industry is seeking government to continue with the proposed suspension of the RUC due to Covid-19 and for an agreed period of time (no less than 6 months), after return to normal services.**
- **Suspension or waiving of government fees, taxes and charges** (mainly state based) such as payroll tax, registration fees and certificates of insurance fees.
- **Suspension of road tolls** for buses and coaches for an agreed period.

Key Principles for bus service contracts

A number of temporary working arrangements (principles) could be considered to enable bus operators and relevant authorities to be responsive to the changing and foreseeable Covid-19 scenarios.

A starting point in recognising public transport as an essential service is that the continuation of bus services and timetable arrangements is assured in some form depending on the circumstance.

The continuation of services in the context of COVID 19 based on patronage and social distance measures could mean:

- consideration of increasing bus services in peak commute periods, where patronage levels are still high, by running more frequent services or another bus on the same timetable to split passengers per bus/social distance.
- in the case of patronage decline maintain the peak hour commute timetable and reduce frequency of off peak services to one hour.
- consider as a last resort, holiday or weekend timetables based on declining patronage.
- school services to operate until such times as schools are shut down.

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The following principles are suggested but may vary dependent on differing contractual arrangements in each state and territory. These principles should form the basis for discussion between state associations, bus operators and relevant authorities.

Review and agree the processes required to:

- implement any restrictions, alterations and cancellations of services
- deal with circumstances where a bus operator is unable to deliver services due to COVID-19 related issues
- provide ongoing support by the Authority for bus operators and their employees who may otherwise be adversely affected through loss of income
- establish arrangements for ongoing consultation with bus operators and monitoring, including any proposed temporary arrangements put in place
- implement temporary arrangements consistent with the requirements for variations under Bus Service Contracts.
- consider an agreement by the parties to treat the COVID-19 Emergency as though it is a Force Majeure Event under the Contract on a State by State basis.
- more flexible work conditions that give to employers the ability to keep their employees gainfully employed whilst experiencing a downturn in service requirement.

The De-Regulated Sector – long distance, tour, charter and express services

This sector of Industry has stopped like many other industries/businesses.

No passengers means no tours and no charters which is largely due to the obvious issues related to travelling on buses and coaches for extended periods of time and distance. This sector of Industry has gone into hibernation as a result of Covid 19. As examples, passengers are not undertaking:

- long distance tourism travel trips such as East Coast “hop on hop off” backpacker tours, around Tasmania coach tours or Coober Pedy outback opal tours
- express commuter service trips such as Murray’s Canberra to Sydney or South East Queensland, Brisbane to Toowoomba express commuter/connection services
- local.international tourism short tours such as Cairns Hinterland and the NSW Blue Mountains
- bus charter and school tours and excursions.

To expand on bus charter and school tours and excursion as an example of the impact of Covid 19, this sector exemplifies the local economic and social impact on the community and many ancillary small businesses that depend on the local tour and charter company across Australia, let alone the local tour and charter bus and coach business.

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These businesses operate in every Australian city and country town servicing suburbs, regions and townships and districts and most continue to be family owned and run.

This sector of the bus and coach industry involves operators who provide for example, annual pre-booked school tours, excursions and charters to local school sporting events and local community charters.

An annual pre-booked visit to Canberra to visit the Nation's Capital City icons including Parliament House through to visits to Darwin and the Red Centre form part of the curriculum of schools and planning for these coach charter businesses all over Australia. Most of these businesses have been founded on this core annual school business as their key and predictable revenue source year on year.

Some Canberra school charter tours are partly subsidised by the federal government who financially support schools as part of a National Civics Program. Other than this subsidy that goes to the school to partially cover the cost of the excursion, this sector does not receive any federal or state government financial support. This has been an unfortunate misconception of many schools who have refused to pay cancellation fees for these annual tours believing state governments provide financial support or argue reasonably that state governments are responsible for cancelling such tours due to Covid-19. These charter tours are in effect set annual bookings to fit in with the local school programs and curriculum, e.g. Year 5 go to Canberra, year 6 to the Red Centre.

Either way the school bus and coach charter business has found itself the "meat in the sandwich".

No matter the state or territory this form of excursion forms part of annual school curriculums and are effectively pre-booked each year with vehicles and staff locked into undertake these charters and no other bookings taken.

These businesses in our cities and regions were largely built on these "secure curriculum based tours" and when they are not doing these school tours they are the lifeblood of city and country communities taking footy teams and supporters to their games on weekends, providing a tour for local retirement homes or to a show in the regional centre or the city.

These tours have all been cancelled and schools will not pay cancellations fees and whilst cancellation fees are an issue, business viability is the ongoing concern.

This particular matter is a state education and state government issue but has fallen between the gaps. This matter the BIC believes should be dealt with in the "no future business viability class" by the National Cabinet.

[Key Proposals for the De-Regulated Sector](#)

The BIC seeks the federal government to set aside significant Australian tourism marketing funds to reignite demand when our borders and flights are reactivated. Governments need to be thinking 6 to 12 months ahead. In terms of the current situation, anything governments can do to improve cash flow should be the primary focus. There has been some relief in Queensland for example in terms of payroll tax deferral.

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Other immediate solutions that governments can implement to ease the cashflow burden for this sector include:

- **a national rescue package** that sees capital expenditure and labour costs paid to the operators by government (not operating costs) for cancelled bookings as a result of COVID 19.
- **suspension or waiving of government fees, charges and taxes** and charges (mainly state based) such as payroll tax, registration fees and certificates of insurance fees
- **suspension of road tolls** for buses and coaches for an agreed period
- **suspension of the Road User Charge (RUC)** component of fuel excise for buses and coaches. This would mean a full rebate of fuel excise paid for fuel used for the purposes of bus and coach travel as applies to miners and farmers operating off road. Currently fuel excise is 43.2 cents per litre of which buses and coaches and Industry can claim approximately 27.3 cents per litre as a rebate and the difference is the RUC which is currently frozen at 25.8 cents per litre. **Industry is seeking government to continue with the proposed suspension of the RUC during any period disrupted services due to Covid-19 and for an agreed period of time (no less than 6 months), after return to normal services.**
- **use of the Federal Government wage subsidies** which will allow coach drivers who are stood down because of no work to remain on the books of their employer to ensure the availability of drivers once the economy kick starts again.

Bus and Coach Manufacturing Sector

The manufacturing, supplies and services sector of the bus and coach industry is an important contributor to the Australian economy. It is also an important contributor to a heavy vehicle automotive manufacturing labour skill set that goes beyond just building buses and coaches. It continues to meet the many challenges of a global vehicle market place that has seen many manufacturing sectors fall by the wayside and remains competitive in the Australian market, including some small export opportunities.

The BIC estimates that in the manufacturing of the completed bus, \$5 billion is contributed to the Australian economy each year and close to \$1.5 billion in supplies and services to keep the bus operational and delivering services.

The BIC estimates that the manufacturing sector employs more than 10,000 people in Australia including a strong network of Australian and global component manufacturers (eg. public transport seats) and suppliers that support the build of a bus (eg. air conditioning units) most of whom have setup businesses in Australia.

The BIC recommends that state and territory governments vehicle replacement procurement for bus and coaches be maintained if not accelerated to support the sector and retention of jobs.