

Bus SA Annual Report to 30 June 2017





Welcome to the
Bus and Coach
Association SA
Annual Report
2017

Board

President

Ben Romanowski
(29/11/2016 – present)

Vice President

Dean McGinty
(29/11/2016 - present)

Board Members

Mark Dunlop
Stephen Lucas
Stephen Nesbitt
Ben Romanowski
Jim Scott
Peter Stone
(to 29/11/2016)
Maureen Sullivan
Philip Walker

Executive Director

Lauran Huefner
(04/10/2013 – present)

SA Councillor to the Bus Industry Confederation (BIC) and the Australian Passenger Transport Industrial Association (APTIA)

Ben Romanowski
(30/11/2016 – present)

Auditor

Moore Stephens
(formerly Hayes Knight)

Suite 515, 147 Pirie Street
Adelaide SA 5000

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PRESIDENT'S REPORT

There has been relative stability at this stage of the political cycle, with no changes to the roles Transport Minister or Shadow Minister for Transport. This is very good for our sector as the knowledge base around the bus sector and moving people is reinforced and grows.

A very important report commissioned by the Bus Industry Confederation (BIC), Bus SA and the Department of Planning Transport and Infrastructure (DPTI) and written by John Stanley and Janet Stanley was presented to the Minister early in 2017. This report, *Improving mobility opportunities in Regional South Australia*, was made up of case studies from Port Pirie, Mount Gambier and the Riverland. Amongst recommendations the Report called for a trial of Regional Accessibility Committees as a mechanism to improve mobility options for people in those locations.

The Board was therefore very pleased when Minister Mullighan announced the funding of a trial in Port Pirie at the Bus SA Conference in June. We perceive this as a vote of confidence in the approach we are advocating for and provides an opportunity to develop a sustainable approach to supporting regional mobility.

Also this year there were opportunities to provide feedback to DPTI through their Review of Regional Contracts. We remain hopeful that this process will deliver workable ongoing arrangements for regional communities, operators and Government.

Another new collaboration this year was the inaugural BIC Coach Connections Summit that was held in Adelaide the day prior to the Bus SA Conference. Building on our Land Tourism Forum from the year before, BIC was able to deliver an interesting and well

supported program that highlighted the issues facing tourism and charter operators. The Bus SA Board is pleased that this event has provided impetus to continue the development of this difficult policy space.

As ever, it is important to recognise the contribution of the Board this year, providing input and guidance on the key topics that lead to the outcomes we are seeking. I thank the Board for their commitment, and particularly want to thank Peter Stone who stepped down from the Board at the last Annual General Meeting.

Ben Romanowski
President
July 2017



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EXECUTIVE DIRECTOR'S REPORT

A very important announcement about the future of regional transport in SA was made during the Bus SA 2017 Conference. The announcement, by Minister Mullighan, and mentioned in the President's Report, was that the State Government would fund Bus SA to undertake a trial of a Regional Accessibility Committee (RAC) in Port Pirie. This step is important because it provides an opportunity for the industry to show how to deliver a useful service that we believe creates an effective model for regional mobility into the future. We will work very hard to ensure this is a successful trial and enable the roll out of RACs across SA.

As we move into an election year, the content of Moving People SA continues to provide the underpinning of our advocacy. Towards the end of the 2017 calendar year it is our intention to start meeting with politicians to update them on our vision for the industry and to help them gain further understanding of the importance of mobility for their communities. We look forward to working with our members to do this work with their local MPs.

Membership

Membership has remained static in the 2017 year. That said, towards the end of the year we experienced a number of positive inquiries and we remain optimistic that the lead in to the 2018 election will provide a number of opportunities to gain additional members.

The Association's support through partnerships remained strong with 4 Gold, 7 Silver and 7 Bronze Partners. These organisations have provided substantive support to our work and we are grateful for their time and interest in engaging with members through attendance at our conference, provision of material for our electronic bulletins, and promoting our work to non-member operators. I encourage all

operators to thank partners for their investment where and when you can.

Policy

As we reported last year, our policy base in in Moving People SA was refined in early 2015 to 6 simple and direct outcomes that Bus SA believe will greatly add value to South Australians:

1. Establish Regional Access Committees
2. Privatised operation of DECD owned buses (yellow fleet)
3. Establish a Ministerial Passenger Transport Forum
4. Support the 20 Minute Neighbourhood Policy and apply it in the SA context
5. Establish Tour SA By Coach strategy
6. Introduce Bus Safety Standards in SA

I am pleased to report we are seeing some tangible traction towards these goals and are optimistic that our advocacy of the 2018 year will continue this progress. Points of interest are:

- Minister Mullighan announcing the funding of a Regional Accessibility Committee Trial in Port Pirie to commence around October 2017. Bus SA will be funded to engage a RAC

Coordinator who will be on the ground in Port Pirie to assess and meet mobility needs of the Port Pirie Community. This is an important trial for SA, and is of interest to other groups outside SA and around the world. We will ensure that this exercise is completely useful in guiding the future of regional mobility around SA.

- The Coach Connections Summit run by the BIC has highlighted future policy directions for the sector. There will be ongoing work by a committee of the BIC on this area of policy and Bus SA will play a role in that Committee. There is a short report on the Summit below.
- Changes to Chain of Responsibility laws that will apply from 1 July 2018 that have opened a further dialogue with Government about the way in which all transport providers are regulated. We argue that our approach to Bus Safety provides a framework that manages risk in an appropriate way.

In the 2018 year we will produce a concise election-focused document to assist our advocacy efforts with sitting MPs and prospective MPs, who we will visit with local operators.



... we must continue to clearly articulate our position in a consistent fashion, and provide ongoing back-up material and evidence that supports our positions ...



EXECUTIVE DIRECTOR'S REPORT (CONT)

Communications

During 2017, Bus SA distributed 8 Member Alerts, covering updates on our conference through to changes in national laws. We will aim to deliver a similar number in 2018 and continue our work to find interesting and worthwhile content.

We also distributed 233 messages through our social media channels, including Twitter. We now have over 170 followers of our Twitter feed, and we believe our network is receiving worthwhile content from this information. At the same time our work for BusVic has seen a rapid growth in their Facebook profile as well as their Twitter presence.

Financials

The Association was able to achieve slight revenue growth in 2016, with some additional revenues from additional investment in supplier partnerships. There remains more opportunity to find additional sustainable revenue sources and Bus SA will continue taking an active role in this. This includes finding ways to work with and on behalf of government in the delivery of services that brings strong industry outcomes.

The Board made the decision in April to put the property at Enfield on the market. The timing appeared to be good, as the existing tenant had vacated the property although they were committed to continuing with the rent until the end of the lease. We were advised, however, that the likely rental achieved would be considerably lower due to changed conditions in commercial tenancies.

The property was auctioned in late June, and achieved over \$800K, allowing the Association to clear liabilities

and retain a reasonable cash holding. Settlement is due in August 2017, and the Board will make appropriate investment decisions once that has occurred.

Bus Industry Confederation National Conference November 2016

Perth was the destination for the BIC Conference in 2017, providing an interesting backdrop to the “Shaping our Cities and Regions” theme.

The program had a number of focus areas, including public transport futures that explored technology and the disrupters of our industry, particularly looking at how the new players like Uber and Lyft are changing the way in which technology can be utilized to meet differing and increasing traveler needs.

There was strong interest too in the sessions that looked at the role of federal and local governments in designing cities that are focused on the users – people. This provided good grounding for discussion about what PT projects are on the go around Australia – from mode integration in Perth, cross river rail in Brisbane, and light rail in Canberra, most of the major infrastructure projects supporting moving people were explained.

Naturally of interest to South Australia were the presentations that looked at Regional and Remote Transport Services, highlighting that there is

much to be done in SA to help bring us up to a standard comparative with other states.

We also thank thank ABCUA for providing another Achiever Award. This year’s winner, Leigh Carter of Keolis Downer, is a long serving and dedicated member of the industry and gained excellent insight into industry developments by being able to attend the BIC Conference

Coach Connections Summit, June 2017

Early in 2017 the BIC agreed to run a Coach Connections Summit at the same time as the Bus SA Conference. This would be beneficial to our audience by bringing some interstate visitors to our event, whilst also building our Bus SA’s work in 2016 in running a Land Tourism Forum.

The Summit covered a broad range of topics, from government regulatory challenges (including the problems with ADR limiting product innovation) through to the work being done by various players currently delivering in the tourism sector.

Summit attendees agreed to update the existing BIC policy statement for the Long Distance, Charter and Express (LDCE) sector and include within it, the 2027 strategy for innovative ways that the coach mode share for the tourism dollar can be increased, including new niche traveller experiences and marketing what the coach sector has

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EXECUTIVE DIRECTOR'S REPORT (CONT)

to offer. It was strongly supported that the BIC and the Bus Australia Network through State Associations, take a much more focussed and proactive approach to local governments as the key partner and the real driver of regional connectivity and tourism.

The Summit also discussed specific issues that are impacting on the sector that will be included in a soon to be released Outcomes document from the Summit and the new LDCE policy and advocacy statement. These included:

- increased mass limits
- accessible transport standards
- red tape and accreditation
- access permits and training for destinations.

At this time it is not clear whether this will be an annual or bi-annual event, however that will likely be determined by the end of 2017.

Bus SA State Conference, June 2017

Following the Coach Connections Summit, the Bus SA Conference moved to the Adelaide Convention Centre in 2017. I am confident that this change was very well received for the day time sessions, and is likely to continue in 2018.

This year we actively chose to deliver a program that as less policy focused therefore more operationally focused. The day started with excellent presentations from John King – the new President of BusNSW who updated us on the activities happening to our east – and Nigel Tooth of TransportMe who gave us insight into the technological changes that will drive the industry to new spaces.

We were very grateful to once again host the Minister for Planning, Transport and Infrastructure, Mr Stephen Mullighan, and his shadow counterpart, Mr David Pisoni. Both MPs were able to remain for a full panel

discussion by Executive Directors from our colleague associations. This presence was very well received by our delegates who appreciated their capacity to make immediate comment on the topics being discussed.

Other important sessions included an updated on the Vehicle Inspection Manual and a presentation by NHVR on the new Chain of Responsibility Laws. This topic of was of particular interest as it highlights the coming challenges for our operators in 2018. The Department of Education and Child Development confirmed that most operators should have a straightforward renewal of their contract after the initial 7 year term, before we heard sessions on critical incident management and business profitability from Piper Alderman and Pitcher Partners.

My thanks to Celina Annich for her work on delivering this, her second Bus SA Conference, and we look forward to doing it all again in mid 2017.





EXECUTIVE DIRECTOR'S REPORT (CONT)

National

Bus SA members continue to benefit from our strong bond with other bus industry associations who are part of the Bus Australia Network, and particularly the Bus Industry Confederation Policy Work. For the national view on the industry, we include a report from BIC Chairman Wayne Patch in this document.

Key Events Attended

Over the course of the year, Bus SA represented you at a number of activities and events, including:

- BusVic Maintenance Conference and Expo, Melbourne, July 2016
- BIC Conference, Perth, November 2016
- BIC National Dinner, March 2017

2 017/2018 – Future activities

There are a few main issues to focus on in the coming year.

The first will be the rollout of the Regional Accessibility Committee trial in Port Pirie. This will require regular attendance by me in Pirie, investing time in supporting the RAC network expand and deliver services.

The 2018 Election represents a great opportunity for us to get our policies to the forefront. This will clearly be a very unusual election with Nick Xenophon's SA Best possibly presenting a viable alternative to the ALP and the Liberals. At this time there is no apparent winner, although we should expect change after 16 years of Labor Government. We will be asking operators to lobby their local MPs hand in hand with the Association for the first time – we believe this will be a very effective



way to increase the knowledge of our politicians about our work.

There will also be the need to keep our members abreast of Chain of Responsibility Laws that take effect from 1 July 2018. These laws may not cause concern to operators – until someone is prosecuted. However what the NHVR has made very clear is that evidence of a safety management system in a business will go a long way to protecting an operator in the event of prosecution. It is this message that we will advocate to our members, as well as to Government in calling for a Government regulated system of bus safety that will lift standards and meet the Chain of Responsibility challenge.

It is likely to be a challenging year – but a good strong progression on where we were some years ago.

I would like to thank the people who support our activities over the course of the year, including our President, Ben Romanowski, and Deputy, Dean McGinty, the Board and Celina Annich. I look forward to continuing to help our industry in its ongoing development during 2018.

Lauran Huefner
Executive Director
July 2017

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BIC CHAIRMAN'S REPORT

2016/17 has been a year of strong advocacy by the BIC at a Local, State and Federal Government level.

I am once again glad to report that the BIC is held in high regard and that the Industry research and policy development, which is the foundation of the Industry advocacy efforts, are still being well received and recognised as an important contribution to the national debate about our cities and regions and how we move people today and in the future.

This has most recently been highlighted by our invitation from Federal Assistant Minister for Cities Angus Taylor, for BIC to sit on his Cities Reference Forum. We are being engaged at the highest levels which provides us the opportunity to ensure that the bus industry is part of future transport solutions.

The challenges we face as an industry from a changing transport market such as ride sourcing and technology see the landscape of personal mobility changing dramatically in front of our very eyes and this is both a threat and an opportunity.

As I mentioned last year in my annual Report and more specifically at the BIC Conference in Perth, the encroachment of disrupters like Uber and other ride sourcing services will have an impact on existing public transport services and how they are provided. We are already seeing State Governments not just talking about taxis and ride sourcing services having a future role in delivering what is termed, "first and last mile" trips to connect people to trunk public transport services and deliver them home, but actually doing it. NSW is running On Demand trials right now with existing bus operators in Sydney to see how bus operators might be able to provide these services as part of the mass transit mix.

We are a key part of the new intelligent mobility world and it is up to us to take up the challenge and show our innovation and entrepreneurial skills. This is not just about city services. Regional and rural services will change also and operators have a great opportunity to

revolutionise mobility in the country. Where the Industry fits in this disruptive transport world has been a strong focus of BIC with all Governments over the last 12 months and will be the focus of this year's BIC Conference, where the theme of the Conference is very appropriately "Mobility as a Service", (Maas).

The bus industry needs to be alert, agile and prepared for change. This was my message last year and it has not changed.

The challenges for our Industry are significant but in my view the bus operator has the skills, the infrastructure and knowledge to be a leader in the delivery of future more diversified transport services. The capacity as transport experts to be not only transport providers but operators of mobility platforms to link passengers to their specific travel choice.

Discussions about automated vehicles continue but this is a long way off, but have no doubt, it will be part of future transport. In fact public transport with driverless trains and driverless buses on dedicated PT only infrastructure will probably lead the way in relation to autonomy. But we as an Industry have more immediate challenges that are related to three key themes for future bus business: Connectivity, Technology and Electrification.

We are already on the path to change, change in services, change in vehicles, change in technology, change in customer demands, change in

Government expectations, and change in business models.

I would like to repeat what I said in my Chairman's report last year as it is just as relevant today, probably more so today. It means we not only have to be ahead of the game but try and lead the discussion about our own future. That is my expectation of BIC, to take a lead, and for bus operators to play your part in driving the future direction of personal mobility in this nation.

Last year I said "The passenger transport task is on the move like nothing we've witnessed since the introduction of the motor vehicle. Industry need to be, more than ever, through our Industry representation efforts led by BIC, at the forefront of the discussions and debate. The types of bus business you have today will almost certainly be very different in a few years. Naturally, as with all change events, there are threats, but for those willing to think outside the square there are many opportunities".

Industry has to be ready and at the forefront of this revolution in how we do things.

2017 and beyond will be exciting times for the Australian bus and coach industry and we need bus operators and suppliers to be right on board with BIC.

Wayne Patch
Chairman
Bus Industry Confederation



The bus industry needs to be alert, agile and prepared for change. This was my message last year and it has not changed.

We acknowledge our Partners for 2016/2017

GOLD PARTNERS



Daimler Trucks Adelaide

Operated by Adtrans MVD240896

SILVER PARTNERS



BRONZE PARTNERS



Bus Australia Network

