

STATES OF JERSEY



BUS SERVICE: REVISED TICKET AND FARES POLICY (P.107/2020) – COMMENTS

**Presented to the States on 1st October 2020
by the Minister for Infrastructure**

STATES GREFFE

COMMENTS

There are 2 points of principle which are the reasons why this proposition should be rejected.

Firstly, we should not be making piecemeal policy, particularly when there is a Bus Service Development Plan, a systematic and whole-system analysis of all aspects of the service including the ticketing and fare structure, currently underway as part of the Sustainable Transport Policy.

Secondly, we have a contract with LibertyBus, who provide the service according to the terms of that contract. Meddling with the contract has financial consequences. This would not be merited in normal circumstances, but doubly ill-advised at a time when bus ridership has been so severely affected by COVID-19 that the Government has already needed to provide support and more is likely to be required.

It is important that the basis for the contract with LibertyBus is clearly understood when considering this proposition. The contract is not for the company to provide services that can be varied at any time by the Government with impunity.

LibertyBus is operating a contract on behalf of the Government of Jersey, for which they successfully tendered. This contract requires LibertyBus to bear the revenue risk such that they must strike a balance between keeping fares low enough to encourage ridership, and generating sufficient revenue in order to continue reinvesting in service enhancements and bus fleet replacement.

Providing such commercial freedom has played a significant part in the success of the public transport network in recent years. Passenger numbers increased 40% between 2013 and 2019.

Bus fares were traditionally distance-based but under LibertyBus, a flat fare was introduced alongside new payment methods and unlimited-travel season tickets which reward the regular user with discounted travel. These developments have also helped to speed up boarding times, increasing the attractiveness of the service. More recently, a transfer ticket has been introduced offering a saving compared to 2 single fares.

	PAYG (AvanchiCard)	Contactless (Credit/Debit/Phone)	Cash
Adult 1 trip	£1.65	£2.00	£2.30
Adult 2 trips	£3.30	£4.00	£4.60
Adult transfer ticket	£3.00	£3.50	£4.00
Saving	-£0.30	-£0.50	-£0.60

Part (a) of the proposition calls for “from 1st January 2021, passengers may purchase a transfer ticket at the same price as a single ticket”

This is, in effect, requesting that single bus fares will in future incorporate a free transfer facility. The percentage of journeys involving a change of bus is not known. The

proportion of passengers changing bus who currently pay a walk-up fare on the bus, as opposed to using an unlimited travel season ticket, is also unknown. This means that the impact on fare revenue cannot be accurately estimated, but unless those fares rose to the same level as the transfer ticket, that impact would be negative and involve a loss of income for which LibertyBus would have to be compensated. The alternative would be for the company themselves to take action to reduce the loss, for example by reducing service frequencies or withdrawing routes.

LibertyBus could increase the price of a single fare well above the rate of inflation in order to offer a free transfer facility, which would discourage ridership. If it is the Deputy's intention to bring the price of a transfer ticket down to that of a single fare, there are significant implications for the level of revenue that LibertyBus can achieve.

Part (b) of the proposition calls for “no difference in the price charged for a single ticket regardless of whether the purchase is made by cash, debit card or Avanchi Card”

Cash is a problem for all transport networks and in many places is no longer accepted on buses, for example in London, where the cost of handling notes and coins on buses eventually exceeded their value. Change-giving is also a time-consuming affair and on a bus service where time is of the essence, it should be minimised as far as possible. Pre-paid Avanchi Cards rightly attract a significant discount over cash, because the fare income has been received in advance to the benefit of the operator's cashflow. The policy is valid and robust, established, and follows good practice employed in other transport networks.

Part (c) calls for an investigation into “the feasibility of allowing passengers to top up their Avanchi Card on buses”

This would cause hold-ups in getting on buses and have an adverse effect on bus journey times. It would be a backwards step by increasing the quantity of cash handled by drivers and back office staff. The current facilities for topping up cards are long-established and work well.

There is potential for development of the bus fare structure to be identified and introduced in the future, particularly as ticket machine systems are being continuously developed and electronic payment methods are becoming more sophisticated. But careful study is required first, and rather than introduce piecemeal changes to the current structure, the work identified as part of the Bus Service Development Plan should be allowed to proceed unhindered.

Financial implications

It is asserted in the proposition ([P.107/2020](#)) that there are no financial implications, however this is patently not the case. If the proposition is won and the Government has to stipulate changes to the way LibertyBus operates, they would have to pay the Company for these changes, or if this was not forthcoming, the alternative would be to cutback the service in some way to compensate for the loss in revenue.

Moves to make public transport more attractive are welcomed. Since 2013, bus travel has become more attractive, through a series of incremental and balanced changes,

ridership has increased by 40%. The Bus Development Plan is the next phase in bringing about evaluated improvements.

Members are advised to reject this proposition.