

NOTICE

Inquiry on School Bus Operators' Charter Bus Operations – Final Report

The Treasurer, Mr Eric Ripper MLA, has released the Economic Regulation Authority's final report for the inquiry into school bus operators' charter bus operations.

The Treasurer asked the Authority on 22 January 2007 to undertake the inquiry, to examine whether the participation by school bus contractors in the commercial bus charter industry was having an adverse impact on that industry. If it was, the Authority was required to consider whether changes to the school bus funding model could improve the situation.

Mr Lyndon Rowe, the Authority's Chairman, said that the conclusion of the Authority was that the participation by school bus contractors in the commercial bus charter industry is not having an adverse impact on that industry. Consequently, the Authority is not recommending any changes to the current funding model.

A copy of the final report is available on the Authority's [web site](#).

In arriving at its conclusions, the Authority:

- considered the charter work that is potentially available to school bus operators, and found that only a small percentage of school bus contractors engage in frequent commercial charter work;
- considered the pricing of charter services, and found that as long as school bus contractors charge for their charter services at a level that covers their variable costs then the school bus fleet would be used efficiently;
- sought evidence of negative impacts on investment or service standards in the charter industry as a result of school bus operators entering that market, and found no such evidence (even after writing to 250 charter operators); and
- examined school bus operators' costs and revenues to find out if they have the financial ability to engage in anti-competitive behaviour, and found that this is unlikely.

The report's recommendations have been informed by a consultation process that included two opportunities for interested parties to provide submissions. The Authority wishes to express its appreciation and to thank all stakeholders who contributed during the conduct of the inquiry.

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