

Action for Public Transport (NSW)

P.O. Box K 606, Haymarket NSW 1240

22nd January 2002

Dr Thomas Parry
Chairman
Independent Pricing and Regulatory Tribunal of NSW
Level 2, 44 Market Street
Sydney NSW 2000

(P.O. Box Q290,
QVB Post Office NSW 1230)

Dear Dr Parry,

Determination of Passenger Transport Fares from July 2002 First Submission

1. First Submission

This is the first of two proposed submissions from Action for Public Transport. It is being sent before the closing date for submissions from the authorities in the hope that the authorities may read it and address some of the matters raised here before they finalise their own submissions.

APT will make a second submission after we have read what the authorities have had to say in their papers.

2. Description of APT

Action for Public Transport (NSW) could be variously described as a community-based watchdog group on transport issues, or a public transport consumer group guarding passengers' interests, or an environmental group advocating ecologically sustainable transport systems.

We are not a "front" for any union, business, political party, government agency or other lobby group. APT is funded solely by membership subscriptions and donations. We are affiliated with similar groups in Sydney and world-wide, and have been operating continuously since 1975.

We are concerned about, and opposed to, government transport policies that are driven by vested interests instead of the public interest, particularly the unsustainable use of private motor vehicles in urban areas.

3. APT's General Policy on Fares and Fare Increases

APT's general policy has been, and continues to be that:

- (a) fares charged should be high enough to reflect the quality of the service provided
- (b) fares charged should be low enough to attract people out of their cars
- (c) fares charged should be high enough to generate reasonable cost recovery
- (d) fares charged should be low enough to be affordable
- (e) fares charged should be equitable
- (f) fares charged should be subsidised by governments to recognise the social and environmental benefit of encouraging people to use public transport
- (g) the fare system should be simple enough for users to understand
- (h) the fare system should be comprehensive enough to cater for different user needs
- (i) the fare system should be easy enough for ticket sellers to comfortably manage
- (j) the fare system should be seamless across different operators and modes
- (k) multi-mode tickets for single journeys should not include multiple flag-falls
- (l) users should be encouraged to pre-purchase tickets in order to reduce delays caused by people paying the bus driver
- (m) pre-purchased tickets should give discounts of at least 15-20%
- (n) effective measures should be taken to minimise fare evasion
- (o) accidental fare evasion should not automatically invoke harsh penalties
- (p) fare increases should not exceed the inflation rate while allowing for the correction of anomalies and the effects of rounding
- (q) operators should maintain separate tables of notional fares (as well as actual fares) so that increases are not applied to fares that were already rounded up last year

4. STA TravelSix and TravelTwo Tickets

In the 2001 Determination (para 3.1, page 13) the Tribunal said that the STA is considering introducing other ticket types such as a TravelSix. We would be interested to know what progress has been made in this matter.

We note that for the City to Surf Run in August 2001 the STA pre-sold, what were in effect, TravelTwo tickets for a return trip to Bondi Beach. We believe that the STA should give further consideration to marketing these on a wider basis.

5. Bus Replacement Program

In the 2001 Determination (para 4.3.1, page 24) the Tribunal said that key service improvements proposed by STA in following years include a continuation of the bus replacement program.

We would be interested to know what progress has been made in this matter.

6. STA Network Review

In the 2001 Determination (para 4.3.1, page 24) the Tribunal said that key service improvements proposed by STA in following years include undertaking a network review following customer consultation.

We would be interested to know what progress has been made in this matter.

7. Bus Priority Lanes

In the 2001 Determination (para 4.3.1, page 24) the Tribunal said that key service improvements proposed by STA in following years include establishing a relatively senior management position to deal on a day to day basis with the management of bus priority lanes with the RTA and police.

We would be interested to know what progress has been made in this matter.

8. No-Cash Bus

In the 2001 Determination (para 4.3.1, page 24) the Tribunal said that key service improvements proposed by STA in following years include trialling a bus that does not accept cash fares to examine the extent of improvement in on-time running.

We would be interested to know what progress has been made in this matter.

We mention that the reason APT raised this matter last year was not to improve on-time running, but to demonstrate to passengers who buy cash fares that they would get a faster ride by using pre-paid tickets.

9. CityRail TravelTen Tickets

In the 2001 Determination (para 3.1, page 13) the Tribunal said that limitations in SRA's ticketing procedures restricted the effective policing of such tickets if introduced by CityRail. No such tickets currently exist.

We would be interested to know what progress has been made in this matter.

10. STA Customer Charter

In the 2001 Determination (para 4.1.2 page 19) the Tribunal said that the Department of Transport has been working towards a Performance Assessment Regime (PAR) to apply to both STA and private bus operators.

We would be interested to know what progress has been made in this matter.

CityRail managed to introduce a basic Customer Charter last year. We believe that the STA or its separate bus and ferry divisions should do the same. It is no excuse to say

that buses (and ferries) don't run on exclusive right-of-way and therefore are affected by factors beyond the operator's control. Every business, including CityRail, is affected by factors beyond its control. They just have to be allowed for.

We ask for a Customer Charter to be arranged by 1st July 2002

11. Goods and Services Tax (GST)

When the GST was introduced it made motoring cheaper and public transport more expensive.

What have the authorities and the state government done towards having the GST on public transport removed?

What have the authorities and the state government done towards having the GST already collected on public transport returned to the state for the benefit of public transport?

12. BusTripper Ticket

In the 2001 Determination (para 5.2.1 in footnote 43 on page 19) the Tribunal said that utilisation of the BusTripper is low with the STA selling an average of 76 tickets per day. This is hardly surprising, since the STA does its best not to advertise or sell the ticket.

But first, some history. In December 2000, the authorities withdrew the BusTripper, DayPass and DayRover tickets, replacing them all with a single DayTripper ticket. This ticket had many advantages – it covered all forms of government transport, it was cheaper than the former DayRover ticket, and it was sold on buses. The downside was that with the demise of the BusTripper ticket, people who could not or would not use a train during the day still had to pay the extra for train travel. APT complained to the minister at the time, and the BusTripper ticket was restored.

In March 2001, the authorities released a large fold-out guide to tickets, but failed to mention the BusTripper in it. Since then, the only mention of BusTripper has been in the little leaflet issued by the STA following the July 2001 fare increases. It is not mentioned on any bus timetables or on the STA's web site (although it is mentioned on the DoT's web site). It is not advertised in buses. The ticket is not sold on buses or at the STA kiosks at Wynyard and Circular Quay. It is only available at "selected" agents. However, it is still accepted by the bus ticket machines.

APT complained to IPART in November 2001 that the STA was breaching the spirit of the 2001 determination by not promoting the ticket, and predicted that the STA will seek to withdraw the ticket in the 2002 submission because of poor sales. IPART referred our complaint to the STA.

In a reply to IPART, the STA gave the following excuses:

- (a) the BusTripper has not been successful, representing a very small proportion of bus tickets sold (less than 0.1 percent);

- (b) STA's automated ticket system can only accept a limited number of configurations and will not accept both the BusTripper and DayTripper tickets. The DayTripper ticket was chosen for on-bus sales as it is a system wide ticket;
- (c) BusTripper tickets continue to be available at selected agents;
- (d) STA has a very wide range of ticketing products, resulting in some products not being listed in abridged guides. However, STA publishes a complete ticketing guide that includes information on the BusTripper ticket.

These four statements are rather tortuous variations of the facts.

Regarding (a), how can people buy it when they don't know it exists? When people ask for one at an agency, the vendor often denies it exists, and offers a DayTripper instead.

Regarding (b), the automated ticket system is not needed to SELL the ticket. At an agency or STA kiosk, the BusTripper and DayTripper tickets can be bought in advance and held until the day they are needed. The purchase requires a simple exchange of money and ticket. No machine is required. The ticket is not dated until it is first used. The same applies to on-bus sales. The driver simply sells the ticket for cash without the use of the machine. The machine is used only to validate the ticket, not to sell it. So there is no reason why a bus driver cannot hold BusTripper tickets and sell them on the bus. And, contrary to what the STA implies, the machines do indeed validate both BusTripper and DayTripper tickets. The BusTripper ticket is also a "system wide" ticket, depending on what system you are talking about.

Regarding (c), it is true that BusTripper tickets continue to be available at selected agents, but a person needs prior knowledge or sheer good luck to find an agent that sells them. Even the STA's own kiosks at Wynyard and Circular Quay don't sell them.

Regarding (d), it is nonsense to say that information about the BusTripper tickets won't fit on abridged guides. It fits on the double-sided single page 21 x 10 cm Ticket Prices leaflet issued in July 2001, but apparently it won't fit on the 32 page 21 x 20 cm Maroubra District bus timetable. This is a part of Sydney where the BusTripper could prove useful to patrons, as there are no trains or ferries. Are we also to believe that the information won't fit on the unlimited space available on the STA's Internet site?

If the reason that the STA restricts the advertising and sales of the BusTripper ticket is to gain the additional revenue from the DayTripper ticket, then we would prefer that they say so. However, until then, we ask that the BusTripper be advertised and sold equally with the DayTripper ticket.

13. STA Master Fare Schedule

In its 2001 submission, the STA submitted a detailed schedule of master fares and actual fares (as did CityRail). By way of explanation, a master fare (or notional fare) is a fare calculated by adding a desired percentage on to a previous fare. This new fare will usually end in an odd number of cents. For operational reasons, the actual fare charged is the master fare rounded up or down, usually to a multiple of 20 cents. The next year, the desired percentage is added, not to the actual fare, but to the master or notional fare.

In the 2001 determination, the Tribunal denied the STA the fare increase that it sought. We are asking now – what is the current master fare?

Taking as an example the basic 1-2 section bus trip:

The 2000/01 master fare was \$1.43 and the actual ticket price was \$1.40. The proposed increase was 9.79% making the proposed 2001/02 master fare \$1.57 and the proposed actual fare \$1.60. However, the Tribunal ordered that the actual fare should be only \$1.50. A similar cutback was ordered on most of State Transit's proposed increases.

We now ask, what is the current master fare on which the STA will calculate its proposed 2002 increase? Is it still \$1.57, or is it \$1.50, or is it some other figure.

14. STA Medium Term Pricing Path

In its 2001 submission (Section 7, page 21) the STA described its Medium-Term Pricing Path, detailing the proposed fare increases over four years for bus operations in Sydney.

The proposed average fare increase for full-fare adults on Sydney Buses was 14.40 cents in 2001/02, 9.86 cents in 2002/03, 10.45 cents in 2003/04 and 1.29 cents in 2004/05, a total of 36 cents over four years. It is important to note that these are "cents" and not "percents".

As the STA did not receive the fare increase it sought in 2001, we presume that the figures in this Pricing Path will have changed. We would like to know whether the goal is still 36 cents over four years, or some other figure, and what the proposed steps are towards that goal.

15. STA's Cryptic Data

In our response to the STA's 2001 submission, we said that some figures were presented in a cryptic manner, and it was difficult to find the data needed to make valid comments.

For instance, there were many references to proposed average increases of 14.40 cents (not per cent) per trip for Sydney Buses, 37.25 cents for Sydney Ferries and 17.23 cents for Newcastle.

However, there was no average absolute price per trip (so that we could work out a percentage) or find the percentage increase (so that we could work out the base price).

It was also very difficult to find any simple statement about just how much capital funding State Transit needs from whatever sources to achieve what it wants to do.

We ask that State Transit makes its statistics more clear in this year's submission.

16. External Benefits of Public Transport

We would like to see in the submissions by all authorities some effort to calculate the

value of benefits such as decreases in road congestion, in road accidents, in air pollution, in noise pollution, in water pollution, in land area consumed by roads and car parks, in the splitting of communities by wide expressways and in social isolation.

The Tribunal is obliged, under section 15 (1) (f) of the relevant act to “consider the need to maintain ecologically sustainable development by appropriate pricing policies that take account of all the feasible options available to protect the environment.”

Some detailed figures from the authorities on these matters would be of assistance to the Tribunal.

17. Students' TravelPass

At present, students are not allowed to buy TravelPass tickets for periods longer than a week. We consider that student concession TravelPasses should be available in the same quarterly and yearly periods as for adult TravelPasses, or perhaps for periods aligned to university terms.

The School Term Pass for primary and high school students is available for periods of one, two, three or four terms.

18. Pensioner All-Day Excursion Ticket - Price

Once again, we raise the fact that the cost of the pensioner concession ticket has not risen (except for GST) for many years. The ticket price was increased from \$1.00 to \$1.10 in 2000 for GST. The previous increase from \$0.60 to \$1.00 was in 1988.

The single age pension in 1988 was \$120.05 per week. The single age pension from January 2002 is \$205.25 per week (and will go up again in July 2002). This is an increase of \$85.20 or 71% over 14 years, or 5 % per year.

We consider that a price increase to \$1.50 or \$1.60 would be reasonable, and so do some senior citizens. While this is a 50% increase now, it is only 4% per year spread over the past 14 years.

We realise that each additional cent raised from a concession passenger is a cent lost to the STA or SRA from the government reimbursement. However, if a promise could be extracted as to how the additional fare box money might be spent, perhaps the users might be more willing to pay it. We calculated roughly last year that if the ticket price rose to \$1.50 the government would have an additional \$7.5 million per year to put into public transport.

We know that pricing is a matter for the NSW Government, but we suggest that the Tribunal recommend such action to the Government.

We also said in our submission last year that any increase should have been made last year. Politically, it will be difficult to increase the price in July 2002 because there is a state election due in March 2003.

19. Pensioner All-Day Excursion Ticket - Coverage

The ticket covers only CityRail and STA transport. This is inequitable. The availability needs to be expanded to include private buses (and private ferries).

If this is too generous, perhaps different priced tickets could be sold for different areas or zones.

20. Integrated Ticketing Proposal

We are aware that such a scheme is being developed. However, we do not want any of our current requests delayed with the excuse that they will be included in the new arrangements. This is “never-never” land. We want action now.

21. Submissions from Other Government Agencies

We would like to see submissions made by other agencies with a stake in public transport such as the Department of Transport, the Roads and Traffic Authority, Rail Access Corporation, NSW Treasury, etc.

22. Integrated Transport Information Service (ITIS)

In its 2001 submission (Section 3, page 7) the STA described its involvement in the continuing development of the ITIS system

We would be interested to know what further progress has been made in this area.

23. Public Liability Insurance

Do the authorities have public liability insurance, and if so, will their costs be affected by the current large increase in insurance premiums?

24. Intermediate Fares on Sydney Ferry Services

Some years ago, the STA charged reduced fares on intermediate ferry services, such as Greenwich to Birchgrove, Cremorne Point to South Mosman, and Milsons Point to Balmain. These fares are no longer available and passengers are charged the full \$4.20 for the short trips.

We request that these intermediate fares be re-instated at a price of approximately half the full fare to and from Circular Quay.

25. Sydney Waterways Review of Sydney Ferries

Sydney Waterways was recently commissioned to conduct a review of the operations, and particularly the safety aspects, of Sydney Ferries.

We would be interested to learn the progress of this review. We also suggest that any fare rises to Sydney Ferries be reserved until the results are known.

26. Extension of Red TravelPass Area

At present, the Red TravelPass cannot be used on buses and trains further west than Croydon Station on the main western line and Canterbury Station on the Bankstown line and corresponding points on the nearby bus routes.

We recommend that the availability of the ticket be increased one station on each line to cover the major destination stations of Burwood and Campsie and corresponding extension on the bus routes.

27. IPART Public Hearing

We again request that senior CityRail and STA staff remain behind after they have given their presentations at the Public Hearing in April so that they can listen to the other presentations and also so that they can comment on suggestions made by other parties.

Yours faithfully,

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