

## Action for Public Transport (NSW)

P.O. Box K 606, Haymarket NSW 1240

8th April 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 Second Submission

This is the second of two submissions from Action for Public Transport. The first was sent before the closing date for submissions from the authorities in the hope that the authorities would address in their submissions some of the matters we raised. This second submission comments mainly on the contents of the authorities' submissions.

The headings of the 27 items in our first submission are listed below for reference, and the numbering continues from there.

1. First Submission
2. Description of APT
3. APT's General Policy on Fares and Fare Increases
4. STA TravelSix and TravelTwo Tickets
5. Bus Replacement Program
6. STA Network Review
7. Bus Priority Lanes
8. No-Cash Bus
9. CityRail TravelTen Tickets
10. STA Customer Charter
11. Goods and Services Tax (GST)
12. BusTripper Ticket
13. STA Master Fare Schedule
14. STA Medium Term Pricing Path
15. STA's Cryptic Data
16. External Benefits of Public Transport
17. Students' TravelPass
18. Pensioner All-Day Excursion Ticket - Price
19. Pensioner All-Day Excursion Ticket - Coverage
20. Integrated Ticketing Proposal
21. Submissions from Other Government Agencies
22. Integrated Transport Information Service (ITIS)
23. Public Liability Insurance

- 24. Intermediate Fares on Sydney Ferry Services
- 25. Sydney Waterways Review of Sydney Ferries
- 26. Extension of Red TravelPass Area
- 27. IPART Public Hearing

#### 28. CityRail and State Transit Submissions

We have read the submissions from CityRail and from State Transit and have no objections to any of the proposals regarding ticketing and fares contained therein.

Some comments and questions on a few items are raised below.

#### 29. Lateness of the Submissions

The submissions from both authorities were received four weeks after the due date. They are late every year, though never so late as this year and we are at a loss to understand why. The request for the submissions could hardly have been a surprise, as they have been requested at this same time for about the past ten years. Even if there were no IPART enquiry, surely the authorities would need to go through a similar process in submitting requests for fare changes to their own department heads.

#### 30. Consideration of Earlier Suggestions from APT

We thank CityRail and State Transit for having taken the time to consider the suggestions we made in our first submission dated 22nd January and for commenting on many of them. We don't agree with some of the responses, but will not resurrect them here, as that would defeat the purpose of having raised them earlier.

#### 31. CityRail Notional Fares

CityRail appears to have abandoned the use of "notional fares". This is the process of applying a percentage increase to a previous fare and recording the non-rounded result as the new master or notional fare, but charging the public a fare that has been rounded up or down from the new master fare. In the following year, any percentage increase is applied to the master fare, not the actual fare.

In paragraph 4.1.2 of the CityRail submission, the impression is given that fares are increased by arbitrary multiples of 20 cents, rather than by application of a standard percentage.

For distances less than 25 km, the reason for no increases is said to be that 20 cents is too high in percentage terms, rather than that an increase of 2% on a \$2.20 fare would make the new master fare \$2.24 which would be rounded back to the same \$2.20.

We have no problems with the amount of the increases sought this year, and as for the method (arbitrary 20 cent multiples or percentage increases to notional fares) the result probably works out the same over a number of years. However, we would prefer that CityRail used the second method (as used by State Transit) so that we can see what is going on.

### 32. State Transit Notional Fares

In our first submission (item 13) we said we were watching to see which base master fare would be used for any percentage increase – the asked-for 2001 master fare or the determined 2001 master fare. We are pleased to note that State Transit has re-worked all the “starting” master fares down from the asked-for 9.6% increase to the determined 4.8% increase, and has sought to apply this year’s 2% increase to the lower figure.

### 33. STA Asset Replacement

In several places (Summary, Fares Policy Directions and Funding Framework) the STA’s submission mentions asset replacement being partly funded from fares. Is there no regular process of funded depreciation to replace assets such as buses and ferries?

If any part of a fare rise were granted for asset replacement, what guarantee would there be that the funds would actually be set aside and that they would be available when the assets needed replacing?

### 34. STA Integrated Ticketing and Smart Cards

In Section 2.3 we read “smart cards may provide State Transit with the opportunity to adopt innovative fares and ticketing policies which have hitherto not been technically feasible.” So far, so good. That is what technology is for.

However, the next paragraph says that “pending the introduction of smart card ticketing, it is considered inappropriate to introduce any major reforms to fares or ticketing policy..... This would potentially create a scenario whereby fares and ticketing policy changes might be introduced that are not consistent with post-smart card policy objectives”.

This raises several points:

(a) it is heading into the dangerous territory of allowing technology to rule the business, rather than using technology to run the business.

(b) if State Transit currently has some “major reforms” that it would like to implement, why can the changes not be incorporated in the design of the smart card system?

(c) what are the “post-smart card policy objectives”? Why should they be any different from the pre-smart card policy objectives?

(d) judging by the current contract negotiations, we think the smart card might be a long way off. State Transit should not defer any major changes too long while waiting for an ever-receding technical solution.

### 35. Sydney Ferries

We accept that State Transit is still studying the recent Waterways Report, and that any major changes are deferred until that study is completed.

### 36. Pre-Encoded Paper Tickets

Section 5.1 of State Transit's submission mentions "the time consuming dipping procedure of paper tickets". How times change! It is not so long ago that the speed of the machines was praised over the time consuming cash payment procedure.

The submission elsewhere mentions the still growing number of cash fare customers. Will that number not be increased further by people's unwillingness to buy or inability to afford a smart card? We understand that the smart card will require a cash deposit of \$5 or \$10. While infrequent travellers may be willing to spend \$11 on a TravelTen in the knowledge that they (or their friends) will eventually use all of that value, they may not be willing to outlay a deposit on a smart card for infrequent use. This could further increase the number of cash payers.

### 37. External Benefits

Once again, State Transit has failed almost completely to mention the benefits to the community of a good bus and ferry service, and that perhaps there should be some recognition of this in their funding. The only place where an external benefit is mentioned is in Section 6.3 (Bus Priority Network) and there the benefit is described as "significant efficiency gains to the road network". Do we need better buses merely so that more people can drive their cars?

Apparently the only benefit of CNG buses is the cheaper fuel (Section 4.1) – no mention of pollution or the environment.

State Transit should take note of Section 2.8 (External Benefits of Rail) in CityRail's submission. Also see the document titled "Subsidies and the Social Costs and Benefits of Public Transport" prepared for IPART by the Centre for International Economics in February 2001.

### 38. Timetables at Bus Stops

While we commend STA's aim, as stated in the Corporate Plan (under Service Objectives – Customer Service), of placing a timetable at every bus stop, there are cases of overkill and unnecessary expenditure.

A year or two ago, APT suggested that the inbound bus stops in Parramatta Road at Leichhardt, Annandale and Camperdown should be supplied with notices indicating the first and last few buses to the city each day. These few details plus a message saying "frequent services run at other times" would have sufficed. We were told that this was not necessary.

Now, these bus stops have been supplied with timetables listing the times and routes numbers of every single bus. They require four panels at every stop - expensive in terms of supply and maintenance, and quite unnecessary. All the buses go to the same place (almost) and any relationship between the listed time and the actual arrival time is purely fortuitous. There is a bus about every minute in the morning peak, every 2-3 minutes off peak and about every four minutes even on Sunday. We would suggest to State Transit that they could cut costs, with no reduction in customer service, by just listing the first and last few buses at these, and other similar locations.

### 39. TravelPass Expansion to Other Modes

In CityRail's 2001 submission, paragraph 5.2.2 said "consideration is also being given to seeking to include Sydney Light Rail, Airport Line and Monorail services in the TravelPass products".

We would be interested to learn if any progress has been made in this matter.

### 40. Season Tickets by Salary Deduction

CityRail used to staff a small office to assist large corporate and government employers to set up and maintain a program whereby employees could purchase yearly tickets by regular salary deductions. This was beneficial both to CityRail and the employees, and the cost of the "interest free loan" to employees was borne by the company.

To the best of our knowledge, this office was around for at least forty years but it has unfortunately been closed. We request that consideration be given to re-opening it, or establishing a similar office elsewhere to encourage and assist employees in the purchase of yearly rail and TravelPass tickets.

### 41. Nightride Bus Fares

Nightride buses replace train services along major rail lines between midnight and 5 a.m. Any valid CityRail return (but not single) ticket, pensioner, weekly or other periodical tickets or TravelPass are valid on a Nightride bus, and single tickets can be purchased from the bus driver. The price of these tickets was increased by roughly 10% from 1st November 2001. We have no problem with the increase, but are just curious as to who authorised or approved it.

Nightride buses are not mentioned in the scope of either of the two fare enquiries currently being conducted by the Tribunal – the "CityRail and State Transit Fares" or the "Fares for Taxis, Private Buses and Private Ferries". Fares for tourist services and non-monopoly services such as the Airport Express Bus are excluded from these reviews, but the Nightride bus does not seem to fit either of these categories.

We recommend that Nightride bus fares be brought into one of the Tribunal's reviews. While we have no problem with current fares or the latest increase, it could be that a fare increase may need to be challenged in the future, and we would like to have an established procedure.

As a passing comment, in case anyone from the Department of Transport should read this, most of the Nightride timetables that are still fastened to bus stops, not having been removed or fallen off from neglect, are very difficult to read due to mould, the weather or vandalism. Those that can still be read show that changes to the route N50 running times implemented eighteen months ago have never made it to the timetables at the bus stops. Are there any Customer Service Objectives for these buses as there are for other buses and trains?

#### 42. Submissions from Other Departments

We note the absence of submissions from the Department of Transport, the State Treasury, Planning NSW, DOCS and any other department that we thought may have had an interest in this subject.

#### 43. Public Hearing

As usual I am willing, if required, to make a presentation or answer questions at the coming Public Hearing. However, as I have no major issues to raise after the two written submissions and the responses from the authorities, I would be happy to pass up any invitation on this occasion.

Yours faithfully,

Allan Miles  
Secretary  
Action for Public Transport (NSW)