

26th March 2003

Dr. Thomas G Parry,
Chairman,
Independent Pricing and regulatory Tribunal,
PO Box Q290,
QVB Post Office,
1230.

Dear Sir,

Determination of public transport fares (private & Govt.)

I should state, as a preface, that I am disappointed by the apparent lack of accountability demonstrated by IPART and the Department of Transport (DOT): not one of my concerns raised in my 2002 submission seem to have been even addressed, let alone answered.

In response to the terms of reference

Despite the apparent drive of late towards “integrated ticketing”, the only commuter oriented integrated ticketing for Government services has experienced hyper-inflation. Whereas CPI for the period 1996-2002 increased 15% from 119.8 to 137.6, Sydney’s core integrated fare ticket, the weekly Red TravelPass has increased 50%, from \$20.00 to \$30.00, i.e. more than triple CPI. As a commuter I consider this is entirely unacceptable for the reasons I addressed in my 2002 submission.

The failure to re-institute and expand revenue sharing structures between Government and private operators (integrated fares) is unsatisfactory. The fast growing south west, west, and north west of Sydney should have equitable access to public transport, and given that the private bus services operate at about one half the vehicle kilometre cost of the Government, there is no good reason why subsidies should not be extended to private operators to complement revenue sharing mechanisms (such as the late MetroPass system- which was never implemented to completion). The very consideration by IPART of public transport fares in separate hearings (Government and Private), illustrates clearly the chasm that has developed in planning and administration between private and Government services since the removal of those powers from the Urban Transit Authority.

Remarks and questions beyond the terms of reference

I am at a loss to understand why the DOT appears to have been the exclusive author of the specification for the ERG “integrated ticketing” system. The most significant considerations in the development of a fare collection system are the structure of those fares, and the manner in which revenue is distributed, yet the Department has demonstrated no interest or understanding (let alone guidance) in respect of these two fundamental matters. I am not aware that the Department has

ever made a submission (to IPART or anyone else for that matter) in respect of fares levels, structures or planning. IPART has been the domain of fare structure research and consideration in Sydney. Clearly the IPART reports include considerations that are the domain of planning. This is illustrated by the major Inquiry into Fare Structures of 1996 (including such volumes as “Fare Structures for Public Transport #4”, “Framework for Public Transport Pricing #5”, “Fair Fares: An Overview #6” and “Fares and Ticketing Policies and Practices: International Review for IPART by Symonds Travers Morgan P/L , research volume #6”).

Having never contributed to any fares determination hearing, or any research paper on the matter, the DOT suddenly commits more than \$270m to an “integrated ticketing” system. One may well ponder why the Department took such a sudden and expensive interest, in the months prior to an election, in an area of public transport planning for which it had hitherto demonstrated the scantest regard. There is no indication that the DOT has considered any of the 1996 papers, and I am not aware that they contributed to that inquiry in any way, even if they had been capable of doing so. If this observation is correct, it would appear that one of two things has happened, either;

1. IPART has spent millions of taxpayers’ dollars conducting inquiries and commissioning reports beyond their terms of reference, and as such the reports have been for no purpose and to no avail
- Or
2. The DOT, by its action in exclusively specifying the “integrated ticketing”, paying no perceptible regard to the recommendations of the major 1996 IPART report, has disembowelled IPART and demonstrated only contempt for the countless contributions on fare structure reform.

I eagerly anticipate the DOT’s new found interest in specifying fare structures extending beyond big pre-election spending to engaging, for the first time, in public transport fare determinations.

Yours sincerely,

David Caldwell.