



COMBINED PENSIONERS AND SUPERANNUANTS
ASSOCIATION OF NEW SOUTH WALES INC.

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Our Ref: GSP.100

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

17 June 2003

Dear Dr Parry,

The following document is the submission of Combined Pensioners and Superannuants Association of NSW Inc (CPSA) on public transport fares.

CPSA has always been interested in public transport issues as they have an impact on the quality of life on our constituents.

We hope you take our organisation's views into account regarding the effect the cost of fares has on pensioners and superannuants.

Yours faithfully,

Bruce Hutton,
State Vice President

SUBMISSION TO IPART ON PUBLIC TRANSPORT FARES (TRAINS, BUSES, FERRIES AND TAXIS)

Introduction

Combined Pensioners and Superannuants Association of NSW Inc (CPSA) is a peak lobby group and advocacy organisation representing the interests of all pensioners and low income earning retirees (superannuants). It has a membership of over 8,000 in branches across NSW. It also has affiliated organisations such as retired union associations.

CPSA believes that an efficient public transport system should be considered integral to a socially just and equitable society. It provides an affordable way for all citizens including pensioners and superannuants to take part in activities and contribute to the social good. It is fundamental to many people's independence. Independence is something that pensioners and superannuants, like all of us, value most strongly.

Because public transport assists in maintaining the independence of pensioners and superannuants, it also contributes to their health and well being. By using a reliable public transport system, pensioners and superannuants are able to access medical services as need be, attend exercise classes, visit friends and family and provide for themselves household essentials we all require such as food and clothing.

Public transport allows its users to avoid social isolation – a contributing factor to depression, the most common mental illness in Australia and one that pensioners and superannuants are vulnerable to.

For these reasons and more, public transport in NSW needs to be expanded and improved as the population ages and grows numerically. It should be extended to areas where it is as yet unavailable. Existing services should be expanded and improved in terms of accessibility, reliability and affordability.

Public transport concessions need to be made more consistent and the different categories of concession holders should be broken down. There is no sense in allowing, for example, some beneficiaries only half fare on CityRail services but free travel on CityRail for a different group of beneficiaries. What it does do is set up categories of “deserving” and “undeserving” low-income earners – something to be avoided in this day and age. The inconsistency is also geographical. Some concessions are only available on NSW Government owned public buses. This means concession holders, with access only to privately operated public buses, miss out.

CPSA recognises that funds have been allocated in the 2002 NSW State Budget towards improving NSW public transport. However, we believe that there are aspects of the public transport system that need greater attention than they have received to date.

Integrated ticketing

The introduction of a smartcard will be a positive step in encouraging people to use public transport. The convenience of such a card, allowing passengers to pass near a validator with their card, will be appreciated by older and less mobile travellers, especially if they are carrying bags or other items.

However, while CPSA appreciates that IPART does not control concession arrangements, it is of concern to our association that it is not clear how the \$1.10 Pensioner Excursion Ticket (PET) for all day travel on STA buses and CityRail is factored into the integrated ticketing initiative. The Department of Transport says there will be no effect on concession entitlements. However, the PET may be difficult to accommodate under integrated ticketing. Will the validator be able to recognise an all day ticket as opposed to the more usual one way or return fares? Indeed, will the PET be a smartcard?

Our association is worried that the NSW Government may use integrated ticketing as an excuse to scrap the PET. CPSA will do what it can to defend the PET at its current price of \$1.10.

Pensioner Excursion Ticket

It is actually a popular misconception that the PET is a “Pensioner” Excursion Ticket. The PET is a common term for this particular concession and it will be used in this submission. It is available to recipients of the Age Pension paid through Centrelink. However, the PET is also available to those who hold the Seniors Card administered in NSW by the Department of Ageing, Disability and Home Care (DADHC). That is, the category of older people not eligible for the Age Pension because their earnings and/or assets preclude them.

This gives some people the misconception that all or most older people are well off and are undeservedly getting all day travel on NSW Government transport for \$1.10. In response to this argument, we contend that the current situation should be looked at not in order to penalise low income earners, but to better target concessions towards people of all ages in need of these concessions.

However, any move to better target the PET must consider equity. Our association believes that age pensioners living in areas not serviced by NSW Government owned public transport, such as Sydney’s Western Suburbs, Wollongong and regional NSW, are not being treated equitably. Because they live in areas monopolised by private bus operators, they do not receive the PET – it is still unavailable in areas which include people in low socio-economic categories. CPSA would like to see the extension of the PET to age pensioners travelling on privately operated public transport.

PET and fare rises

CPSA understands that periodic fare rises are necessary in order to keep public transport in NSW viable. However, such price rises must be planned in the context of keeping public transport an attractive proposition for consumers.

This means that overall fares and concessions must be kept as low as possible. Not to do so will mean consumers will use cars more and more (which means a drift away from public transport making it even less viable) and concession holders may simply choose not to

travel as much. This would contribute to greater isolation of low income earners and concession holders resulting in health problems and subsequent costs to the taxpayer.

CPSA opposes a rise in the PET. While it can be said that it seems incongruous that the PET should remain the same while other fares have increased there are some important points to consider:

- Age pensioners now pay tax. The GST came into effect as of the financial year of 2000-2001;
- Prices of GST-exempt items, such as non-restaurant/takeaway food have gone up;
- Even a small rise in the PET could discourage some age pensioners from travelling to services they require for health and welfare;
- An across-the-board rise to be paid for by all eligible PET holders is unlikely to improve public transport significantly because it would contribute little in terms of revenue.

The main point here is that age pensioners, many whom by definition are not well off, are paying more money now in goods and services than previously – even taking into account CPI adjustments of the Age Pension. As a social justice measure CPSA wants this concession to remain at its current price and to be extended to areas served by private operators.

Fragmentation

NSW public transport is fragmented in two significant ways. This is problematic in terms of running an efficient, cost effective system:

- Privately operated versus NSW Government operated buses;
- CityRail versus CountryLink.

The first form of fragmentation in regard to concession fares on buses is discussed above. The second form has implications in regard to train ticketing.

It is now possible for eligible concession holders to travel beyond 129 kilometres in regional NSW on a \$2.20 ticket by rail. However, it is not possible to travel from areas served by CountryLink to areas served by CityRail on a single concession ticket. For instance, travellers from Orange (served by CountryLink) going to Sydney (served by CityRail) must alight at a station prior to the start of CityRail services and buy the appropriate concession ticket. This usually entails waiting for another train. It should be possible to factor in the price of the CityRail concession ticket at the point of purchase.

CPSA understands that there are implications in terms of whether the revenue goes to CityRail or CountryLink. However, this would not be an issue if the system was entirely integrated.

Conclusion

CPSA recognises that IPART's terms of reference are fares overall rather than concessions specifically. However, our members and constituents are usually concession holders and have a stake in the retention of low cost concession fares. We believe that this area of fares is important in the overall context of the NSW public transport fares system.

We will also be making a more comprehensive submission to the Ministerial Inquiry into NSW Public Transport by 30 June 2003.

Recommendations

- The extension of NSW Government operated public bus services in areas where they do not yet exist;
- The \$1.10 Pensioner Excursion Ticket should remain at its current price;

- The PET should be made available on all private buses and on the Parramatta-Liverpool Transitway;
- The \$2.20 fare now available on CountryLink should be extended to all areas not otherwise covered by the \$1.10 PET;
- The introduction of a single ticket for concession holders (factoring in the relevant concession fare) for travel from country NSW to metropolitan areas;
- Fares rises should be implemented with CPI and a view to keep public transport an attractive option.