



Action for Public Transport (N.S.W.) Inc.

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The Secretary
Independent Pricing and Review Tribunal
Sydney
[submitted via IPART website]

Submission on Opal Fares from 2020

Action for Public Transport (NSW) is a transport advocacy group active in Sydney since 1974. We promote the interests of beneficiaries of public transport - both of passengers and the wider community. We make this submission on the Draft Report by IPART into maximum Opal fares between 2020 and 2024.

Summary

APTNSW generally agrees with most of the proposals of the Draft Report. But we see gaps in the report, some due to constraints on IPART's powers caused by government decisions that we think should be reconsidered.

Specifically, we are concerned the 5% per increase in single fares will discourage some users from using public transport. Further, we are concerned about revenue loss due to fare evasion and the lack of Opal usage in many regional centres

Discussion

Relationship between cost and demand

Removal of the \$2.60 "station access fee" for passengers using Mascot and Green Square stations was expected (using conventional analyses) to increase patronage by around 15-17%. Instead, patronage jumped 70% in a year ("Ticket sales rocket on airport line as prices plunge" SMH 9 June 2011). While this is an extreme example, it shows clearly the desirability of keeping fares reasonable as a way of encouraging public transport patronage.

Increasing prices generally reduce consumption. So it is with public transport fares. The Draft Report acknowledges this risk and IPART appears to have some way of measuring the changes that might happen.

But there is no explanation why the risk of deterring possible patrons is being taken, why the fare increase it is greater than inflation or how much revenue is expected to be generated by the increase.

Controlling fare evasion

Fare evasion on Sydney's transport services is quite common. The writer's observation on buses is that about 30% of schoolchild passengers don't swipe Opal cards on boarding or exit. Trams on the inner west light rail are typically so crowded that revenue inspectors can't operate on them. Occasional blitzes on suitable stations (CBD stations aren't suitable) are easily evaded. The new CBD light rail in George St also offers opportunities for fare evasion.

The Draft Report makes no mention of the cost and causes of fare evasion. Would increased enforcement yield a worthwhile increase in revenue? If so, it would seem to offer an alternative to fare increases.

Regional fares

Many regional centres have public transport but do not accept Opal cards. This seems unfair to the residents of those communities, especially those who qualify for a Senior/Pensioner Opal card.

Cap on gold Opal cards

This cap has been \$2.50 since well before Opal was introduced. It has become an extremely generous concession. Raising it would bring in revenue without hurting anyone much. After all, a higher cap does not mean higher fares for cardholders who only do a couple of short off-peak trips in any one day.

Recommendations

- That the fare increase be no higher than inflation.
- That IPART suggest Opal cards be offered in regional communities.
- That IPART seeks to broaden its responsibilities to cover all matters affecting costs to passengers, including station access fees, caps, and control of fare evasion.

Jim Donovan
Secretary
Action for Public Transport (NSW) Inc.