

Submission to Independent Pricing and Regulatory Tribunal: Review of rural and regional bus fares from 1 January 2018

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Combined Pensioners & Superannuants Association of NSW Inc (CPSA)

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CPSA is a non-profit, non-party-political membership association founded in 1931 which serves pensioners of all ages, superannuants and low-income retirees. CPSA has 108 branches and affiliated organisations with a combined membership of 24,000 people living throughout NSW. CPSA's aim is to improve the standard of living and well-being of its members and constituents.

CPSA welcomes the opportunity to respond to the issues paper released by IPART as part of the Review of rural and regional bus fares from 1 January 2018. This submission will respond to the issues of efficient bus fares, the quality of bus services in rural and regional NSW as well as the equity of fares in rural and regional NSW compared to the OPAL network.

Efficiency of fares

The criteria for the review highlight the need for bus fares that promote the most efficient use of limited resources to provide the maximum benefit for public transport users. CPSA notes that delivering public bus services in rural and regional NSW is particularly expensive due to the fact that there are fewer passengers and journeys tend to be longer overall. On top of that, people living in rural and regional areas tend to have lower average incomes than those living in metropolitan areas which reduces their capacity to pay for public transport services. Accordingly, CPSA urges IPART to consider alternatives to distance-based fare models as part of this review.

The benefits delivered to rural and regional NSW residents through public transport are significant, particularly for those people who cannot drive. For many people, public transport is their main connection to the broader community. Accordingly, CPSA calls on IPART to give significant weight to the social benefits that would be delivered to rural and regional residents through reduced bus fares.

Quality of bus services

The bus services available to people living in rural and regional NSW tend to be less frequent and more expensive than those available to people living in metropolitan areas. There is a real need to improve the quality of bus services available in rural and regional NSW in order to encourage more people to use the services provided.

CPSA notes that access to public transport in the evenings and on weekends is a major issue in many rural and regional areas, compounded by the limited availability (and affordability) of point to point transport options like taxis. There is a need to investigate innovative ways of improving the quality of bus services through demand-responsive service options. This could in turn facilitate a better use of resources, which are used predominantly to transport children to and from school.

Equity of fares

There is a need for rural and regional bus fares to be set at parity with OPAL public transport fares. This provision must be included in the terms of the contracts between rural and regional bus service providers and Transport for NSW. Given that people living in rural and regional area tend to live on lower incomes, it's critical that affordability is prioritised in the determination of fares. CPSA would like to see the introduction of a weekly cap equivalent to that applicable under the OPAL network, so that pensioners and customers eligible for concession fares are not disadvantaged.

There is also a need for rural and regional bus fare structures to integrate with the OPAL network, so that customers are not charged twice on a single journey. CPSA notes that in Lithgow and Bathurst, a failure to integrate OPAL enabled rail services and independently contracted public bus services has meant that customers are being charged twice when using both bus and rail services in a single journey. For example, a pensioner travelling via public bus from their house in Lithgow to the train station is charged \$2.50 for a Regional Excursion Daily ticket and then charged another \$2.50 on the OPAL system once they get on the train. This is clearly an anomaly that must be resolved. Transport for NSW should ensure a seamless customer journey between rural and regional fare networks and the OPAL network.

Conclusion

CPSA thanks you for considering the issues raised and urges IPART to prioritise customer affordability and broader social benefit when determining fares for rural and regional bus services. The delivery of public transport services in rural and regional NSW is never going to be a highly profitable endeavour, however the benefits generated for communities through the provision of these services are immense.