

Action for Public Transport (NSW)  
www.aptnsw.org.au

PO Box K606  
Haymarket NSW 1240  
actionforpublictransport@aptnsw.org.au

24th October 2013

The Chairman  
Independent Pricing and Regulatory Tribunal of NSW  
Level 8, 1 Market St,  
Sydney NSW 2000  
PO Box Q290  
QVB Post Office NSW 1230  
Ph. 9290 8400  
Fax 9290 2061  
ipart@ipart.nsw.gov.au

Dear Mr Boxall,

Review of Fares for Metropolitan and Outer Metropolitan Bus Services from January 2014

Introduction

Action for Public Transport (APT) is a consumer advocacy organisation seeking better public transport for all users.

Thank you for the opportunity to comment on your Draft Report dated September 2013 for the above review. Our responses are given below together with our comments on other relevant matters.

Background

The current regime of bus fares dates from late 2009 when IPART set a four-year pricing path for fares covering the years 2010 to 2013. This was a rather challenging period during which the MyZone fare system was introduced (April 2010) and there was a change of government (March 2011). The current determination expires in December 2013.

In May 2013, IPART produced an Issues Paper for the current review and invited comments from the public. APT responded with two submissions – the first dated 8th June and a second or supplementary one dated 23rd June.

APT also attended a public hearing on 15th October.

Executive Summary

Most of APT's comments and concerns were raised in our two earlier submissions. These have been considered by IPART in the preparation of the current Draft Report and we do not wish to raise them again now – except for one, the Opal card.

Since we made our two submissions in June 2013, the cloak of secrecy, or was it obfuscation, has been lifted from Opal. The light of reality and consumer experience has now revealed the inadequacy of the system, the deception of the perpetrators, and the implausible responses of the Minister. APT believes that IPART must also share some of the blame for unwittingly, negligently or complicitly allowing it to happen.

### The Opal Card

After the decade-long development of the Tcard was aborted, the government set about designing a replacement. The name "Opal" was announced in September 2011, and much was made of the promise that we would never have to queue for a ticket again.

The technical aspects seem to have worked well, starting with the simple Neutral Bay ferry route, then all ferries, then the City Circle and Eastern Suburbs railway, and recently a few select bus routes.

The public understood how the ticket worked as an electronic purse, debiting the cost of each trip from stored funds. Many local users have experienced similar cards in other states and overseas. They also thought they understood that a journey, consisting of two or more "trips" on separate vehicles would cost less, because the flagfall component of the fare for the second and subsequent trips would be eliminated if commenced within a certain time limit. This is what happens in most other systems.

### APT's Concerns

We are concerned that there was no consultation with the public during the card's development – just briefings. However, we were not surprised, because there was no consultation during the development of the Tcard either. The MyZone system was created in total secrecy, with signed oaths of silence, but was quite successful.

We are concerned about the eleventh-hour revelation that the Opal card is not a true integrated fares card.

We are concerned that only bus-to-bus transfers will count towards a "single journey". Train-to-train transfers have, of course, had integrated fares since 1855.

We are concerned at the Minister's ridiculous statements (at least three times now) that to allow through fares from train to bus, or from bus to ferry, would somehow be "unfair". Some users would be subsidising others. This claim is so preposterous that we do not wish to waste time refuting it.

We are concerned that none of this was mentioned by the Minister or by TfNSW in the preceding years. We were led to believe that Opal was a truly integrated fare system.

We are concerned that the sole reason for not integrating the bus, train, tram and ferry fares seems to be to keep the finances for each mode or division separate, so that potential buyers or franchisees can have a clear picture of the finances. See Letter to the Editor, Sydney Morning Herald, 15th October 2013 from Evan Bailey, Glebe.

We are concerned that our smart-card professional adviser considers that the state government has learned nothing in the last 15 years. The Opal project lacked strategic direction and a measurable objective. The business case, if any, is obscure.

We are concerned that IPART has either been complicit in, or deceived into allowing TfNSW to perpetrate this fraud. Paragraph 1.4 of the Draft Report says:

*The draft determination gives TfNSW the flexibility to change the price of individual bus tickets as it sees fit, provided the overall average change in prices across all tickets is not more than 0.3% per annum above the rate of inflation over the next 4 years. We chose this approach to facilitate the introduction of Opal – the Government’s electronic ticket for public transport services in the greater Sydney area. It is likely that the structure and level of some fares will need to be adjusted to optimise the efficiency of electronic ticketing, and we do not wish to prevent this from happening.*

Other similar statements appear elsewhere in the report and have appeared in recent rail fare reports also.

We are concerned that IPART has not pushed for a single fare to cover travel from A to B by whatever mode is available. At present there are three different fares to travel from McMahons Point to Circular Quay by train, bus or ferry.

We are concerned that, only in Sydney, of all capitals, can a traveller still buy a “train” ticket.

We are concerned that the Opal card will never be able to provide “through fares” until the fares for all modes are unified – or “harmonised”, which was yesteryear’s buzzword.

We are relieved that the fare structure is not set in concrete like the mini-sized tunnels on the North West Rail Link, and that they can be changed at any time by a new computer program.

We are relieved that IPART has seen some benefits of integration and has rejected the notion of calculating external benefits for each mode separately. See Section 5.1 (page 34)

*Since 2008, we have engaged Sapere Research Group (formerly LECG) to estimate the external benefits associated with using rail, bus and ferries services individually at each fare review. On further consideration, we have decided that it would be more consistent to consider the external benefits of all modes of public transport simultaneously. This work will be undertaken in a separate review.*

### Conclusion

We look forward to IPART asking some questions of the Ministry about the Opal card fares.

We have no objections to this submission being made public.

Yours faithfully,

Allan Miles  
Secretary  
Action for Public Transport (NSW)