

Friday, 14 August 2015

Transport NSW

To whom it may concern,

RE: Public Transport Fares

1. Do you agree with our proposed assessment criteria for the review?

Which ones do you think are the most important and why?

The proposed criteria are:

- Encourages the efficient use of public transport
- Promotes the efficient delivery of public transport
- Encourages greater use of public transport
- Minimises impacts on passengers
- Is logical, predictable and stable over time, and
- Increases farebox revenue or cost recovery.

Answer:

We agree with the assessment criteria.

The most important criteria will be to encourage greater use of public transport – specifically where it results in fewer single occupancy vehicle trips during peak periods.

Promoting the efficient delivery of public transport is another important criteria – re-visiting the current fare structure to promote interchange will be of great benefit to the network. Giving passengers a financial incentive to do something they find unattractive, like interchange, will result in a more efficient allocation of scarce network resources.

2. Opal provides an integrated ticket but still charges different fares for different modes of transport. Do you see value in also making fares more integrated?

Answer:

The different fare structures for different modes of transport results in confusion and distorts rider choices. For example; some riders choose to use buses for trips that are also served by rail due to the price difference or do not interchange when a multi-modal trip might be quicker, due to the price penalty.

It is unreasonable to calculate train fares based on the track distance whilst bus and ferry fares are based on straight line distance. Charging more for indirect routing as the track distance charge does, treats indirect routing as a benefit when it is in fact the opposite for users. Customers catching a train from St Leonards to Macquarie Park are traveling 7.4km in straight line distance, but 11.2km in track distance. This means that these commuters are paying an extra \$0.82 each way because the rail line happens to go via Chatswood. This is unfair and unnecessarily - reducing the attractiveness of public transport in comparison with other modes.

3. There are many different options for increasing fare integration. They range from further integration for multi-leg journeys, which retains mode-specific fares but

BOC Limited

ABN 95 000 029 729

10 Julius Avenue, North Ryde NSW 2113

Telephone +61 2 8874 4713, Facsimile +61 2 9886 9240

puts measures in place to remove penalties for switching modes, to full integration where fares do not differ by mode of transport, or by the number of trips made in each journey. Which of these options do you support and why?

Answer:

Integration for multi-leg journeys is essential to encourage efficient use of the public transport system by customers. It also assists Transport for NSW to plan the transport system more efficiently.

Full integration will simplify the fare system for customers. Integrating the train, light rail and bus fares is essential. However, it is a concern that fares for all users may increase due to the high operational costs of a single mode (e.g. ferries). We recommend the consideration a surcharge or ferry flag-fall or retain a separate rate for ferries, rather than penalizing the whole system.

4. If you support full fare integration, would you continue to support it if it meant that fares for some journeys, in particular, single mode journeys made in the peak had to rise? Why or why not?

Answer:

We would not support the integration of ferry fares with the rest of the system if it had this impact to the base fare for rail, light rail and bus customers.

In the absence of meaningful bus priority on key routes into Macquarie Park, increasing any fare would be an unfair burden on existing public transport customers who face a significant time penalty for choosing public transport.

We would support the integration of bus and train fares if it was part of a comprehensive bus priority network and additional quality bus services to provide a realistic public transport option for Macquarie Park's 80,000 students and staff.

5. Sydney currently has a fairly flat distance based structure, with fares not increasing substantially over distance travelled, and not at all beyond the first 65 km for rail trips and 8 km for bus trips. Increasing fares for longer distance journeys would allow fares for shorter distance journeys to be lower. Is this something you would support?

Answer:

Yes. In the context of integrated fares, the flag-fall should be smaller and the per-kilometre rate should be higher.

Longer distance fares should be excluded from the \$15 daily cap or the cap should be lifted for these services.

6. A distance based fare structure that is based on kilometres travelled, rather than grouping the distance travelled into bands would remove the fare advantages/disadvantages that currently apply to people who live or work near fare boundaries. This has the potential to help alleviate problems with parking at some stations and would be more equitable. However, it would also be more difficult for passengers to estimate their fare in advance. Which of these is more important to you?

Answer:

We agree. Removing fare bands is more equitable and reduces distortions in the system.

Smart technological solutions (websites, apps, etc) could be implemented to deliver certainty for passengers around their fares.

7. Most cities that have flat fares (that is, a fare that is the same no matter how far you travel) have these fares applying to an inner ring of the city only. Would you

support a flat fare in the inner part of Sydney with distance based fares applying outside this zone?

Answer:

We do not support a flat fare.

Flat fares are helpful when most riders pay cash or use paper tickets, as it simplifies the fare system in the area with the most intensive use. With Opal, the benefits of a flat fare are not as great.

Sydney is also a multi-centric city. Applying a flat fare provides advantages to inner Sydney residents but disadvantages customers in other activity centres (Macquarie Park, Parramatta).

If the flat fare was also the minimum fare, at it is in most cities that have a flat fare, it would provide unfair financial benefits to one geographic area already benefiting from the region's highest quality public transport.

8. We consider that there is value in discounting fares in off-peak periods. Currently this is done only on the rail network. Do you think that an off-peak discount should apply to other modes as well? Would you support this even if it means that peak fares for these modes need to rise?

Answer:

Off-peak fare discounts are beneficial for spreading peak period public transport travel demand, but require that services be available before and after the peak surcharge time period in order to be effective. There are a large number of bus corridors which lack services before and after the peak of the peak (7-9am and 4-6pm). The peak surcharge would be ineffectual on these corridors. This situation would be unfair as it would penalize those with no other alternative.

An example is the 140 service from Manly to Macquarie Park. The service runs twice in the peak period. In the off peak, it is necessary to get either two buses or a bus and a train to complete the same trip. This off peak service takes up to twice as long as the 140, meaning that peak spreading for this route is not feasible.

Off peak discounts may also discourage investment by TfNSW in off-peak services by reducing revenue from these service. This would exacerbate the issue of infrequent off-peak services. Customers must be able to rely on services throughout the day, not just commuting at peak times. IPART should conduct an analysis of the impact on off-peak revenue and the potential induced ridership from the discount to show whether this is the case.

9. Currently peak fares for trains apply between the hours of 7 am and 9 am (6 am to 8 am for NSW Train Link services) and between 4 pm and 6.30 pm, Monday to Friday with off-peak fares applying for trips where tap on occurs outside these hours. Should the definition of 'peak' times be longer or shorter? Are these times also the peak times for buses, ferries and light rail services?

Answer:

Before peak fares can be implemented fairly across light rail and bus network, additional services are required in the shoulder peak periods to allow people to actually spread their travel from the peak-of-the-peak.

Peak surcharges should not be implemented on services that do not have adequate frequency and span to allow for commuters to spread their trips. We would suggest a minimum standard of 20-minute service from 6am to 10am and 3pm to 7.30pm. For services not meeting this standard, commuters are limited for choice and are already sacrificing flexibility in order to get public transport and should not be penalized further.

10. Do you see value in having peak fares apply only in one direction or being replaced with a peak surcharge for journeys that enter the CBD in the morning and exit the CBD in the evening?

Answer:

Sydney is quickly becoming a multi-centered city. Charging a peak surcharge just for the CBD would not reflect how ridership will change in the future. Charging peak surcharges for multiple centers would be complicated and confusing. Therefore the current system should remain.

11. Would you support fares being more expensive in the peak and cheaper in the off-peak? If they were, would you be more likely to change your travel patterns earlier or later to avoid the higher fares? Why or why not?

Answer:

The current ratio of peak fares to off-peak fares is appropriate. If encouraging further peak spreading is desired, we would support a peak of the peak surcharge rather than increasing fares for the entirety of the peak period.

12. Do you receive any benefit from the current weekly and daily caps? Do you receive any benefit from the weekly travel reward? How fair do you think the current discounts are?

Answer:

The weekly travel reward is helpful at driving increased utilization amongst commuters. However, the rewards do not advantage those who cycle or walk to work some of the time or who only have part time employment. Options for providing rewards to these transport users should be explored.

13. Does the weekly travel reward (free trips after you pay for the first eight journeys) encourage you to use more public transport than you would otherwise? Are you more likely to make shorter bus or light rail journeys early in the week in order to access the discount sooner?

Answer:

The weekly travel reward has been helpful in driving increased utilization amongst commuters. Some workers in Macquarie Park are taking short lunchtime bus trips in order to get to the reward sooner. This reward is of particular benefit to those with longer commutes as they can save up to \$6.20 by using a short bus trip to get to 8 journeys faster.

14. Would you support discounted fares on more services (eg, a \$2.50 daily cap for rail, bus and light rail travel on Saturdays and Sundays) if that meant that you were unable to use free trips during peak times?

Answer:

No. It is essential that rewards be available to commuters who only use public transport for work trips. Weekend-only benefits are not an effective encouragement measure for those who only use public transport for their commute.

15. Around 200,000 public transport trips are made on pensioner concession tickets every day (eg, Opal Gold). Passengers who travel on these tickets currently have no incentive to travel outside the peak when services are not as crowded. Do you support a higher peak travel charge for these products? If so, should this be combined with cheaper fares in off-peak times?

Answer:

We would support increased costs for peak travel by concession ticket holders to encourage those customers to shift travel to the off-peak.

BOC Limited

ABN 95 000 029 729

10 Julius Avenue, North Ryde NSW 2113

Telephone +61 2 8874 4713, Facsimile +61 2 98869240

The \$2.50 daily cap for concession card holders is already a sufficient discount, and no additional discount should be implemented, even if a peak surcharge is added.

Regards
BOC Limited
A Member of the Linde Group

David Rudkin
General Manager Business Services

BOC Limited
ABN 95 000 029 729
10 Julius Avenue, North Ryde NSW 2113
Telephone +61 2 8874 4713, Facsimile +61 2 98869240