



## Council of Social Service of New South Wales

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Independent Pricing and Regulatory Tribunal  
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Dear Sir or Madam,

### **Re: Review of fares for CityRail services from January 2013**

The Council of Social Service of NSW (NCOSS) would like to thank you for this opportunity to provide input into the Review of fares for CityRail services from January 2013.

#### **About NCOSS**

The Council of Social Service of NSW (NCOSS) is the peak body for the non-government community services sector in New South Wales. Through its organisational membership, NCOSS represents a vast network of service delivery and consumer groups.

NCOSS has a vision of a society where there is social and economic equity, based on cooperation, participation, sustainability and respect.

#### **Introduction**

NCOSS believes that our transport system should:

- Ensure all people have equity of access to services and to social, educational and economic opportunities,
- Support good health for all people, including by encouraging people to cycle and walk, and by reducing the number of deaths and injuries linked to transport,
- Foster environmentally sustainable transport choices.

The pricing of public transport services can make an important contribution to these objectives through ensuring public transport is affordable for all socio-economic groups within the community, and by encouraging people to use more sustainable forms of transport.

Our comments on this review are therefore concerned with the proposed approach to determining fares gives adequate consideration to social and environmental impacts.

#### **1. Proposed approach to calculating maximum fares**

The proposed approach to calculating maximum fares is based on calculations of both the efficient costs of running train services and the external benefits of those services. We comment on both these processes below.

##### ***Efficient costs:***

IPART's assessment of efficient costs is premised on the removal of guards from trains.

In addition to providing a security function, guards play an important role in facilitating access to trains for people with disability. Where independent wheelchair access is not yet possible due to older, inaccessible infrastructure, guards should remain.

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### ***External benefits:***

Currently, the assessment of the external benefits associated with railway passenger services only considers benefits that are primarily environmental – road congestion, air pollution and greenhouse gas emissions.

We acknowledge the importance of these benefits, but suggest that the social benefits resulting from public transport services should also be factored into the calculation of external benefits. Social benefits accrue to the wider community as well as to individuals. Many people who are unable to drive rely on public transport to access employment and educational opportunities, health services, and social and family networks. Where transport services are limited, so too is access to opportunity and to services. This can result in high and ongoing costs to society including the cost of unemployment and higher health costs.

The social benefits resulting from public transport services should be considered in the calculation of external benefits.

In our recent submission to IPART's Review of fares for ferry services we also noted that emerging research indicates that the costs associated with cars and roads have traditionally been under-estimated, and that public transport services have therefore been under-valued. We therefore recommend that where fare determinations are informed by an assessment of the external costs and benefits associated with the provision of a transport service, that this assessment be updated regularly to incorporate new research findings.

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IPART also proposes taking into account the impact of patronage in adjusting the external benefits index. In recent years, growth in patronage has been significantly lower than forecast. We are concerned that adjusting the external benefits index downwards as a result may create a vicious cycle whereby lower patronage levels will lead to higher fares. This may, in turn, lead to lower patronage levels. We therefore suggest that the assessment of external benefits should be based on a reasonable level of patronage (as per the original forecasts).

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## **2. Options for CityRail fares**

IPART is currently considering a set of pricing principles that will assist in assessing fare options and in determining maximum fares for public transport. As stated in our submission to IPART's Review of fares for ferry services, we believe that equity should be primary consideration, and that vertical equity with regard to income and social class should be prioritised.

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We also question the principle of cost reflectivity. This is because we consider that fares should be set at a level so as to encourage modal shift and increase patronage. Given the wide geographic variation in the level of passenger services, price incentives encouraging a switch to public transport may be more important in some locations than in others. We recognise that this is primarily a policy decision for the Government. If IPART were to give consideration to the uneven distribution of the external benefits associated with railway passenger services across society, however, some variation in fares according to the level of service provision may be justified.

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In addition, where there is no direct service between two locations, people should not be penalised for making the journey by a less direct route that covers a greater distance.

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In terms of the discounts that are applied to various ticket types, a range of travel patterns should be considered in addition to the typical commuter model. For example, people in part-time employment should also have access to the discounts associated with frequent travel. While traveltens are currently available on buses, there is no equivalent product available for train services. Similarly, people who work in insecure employment, and those who work several part-time jobs requiring travel in different directions on the train network, should have access to the same discounts rewarding regular travel by public transport as those in full-time employment.

People in part-time employment or insecure employment should have access to the same discounts rewarding regular travel as those in full-time employment.

## 5. Conclusion

Public transport services should be accessible and affordable to all people. Fares should also be set at a level that encourages greater use of these services. NCOSS recommends that:

1. Where independent wheelchair access is not yet possible due to older, inaccessible infrastructure, guards should remain.
2. The social benefits resulting from public transport services should be considered in the calculation of external benefits.
3. Where fare determinations are informed by an assessment of external costs and benefits associated with the provision of that service, this assessment should be updated regularly to incorporate new research findings.
4. The assessment of external benefits should be based on a reasonable level of patronage (as per the original forecasts).
5. Equity should be a primary consideration, and vertical equity with regard to income and social class should be prioritised.
6. Fares should be set at a level so as to encourage modal shift and increase patronage.
7. Where there is no direct service between two locations, people should not be penalised for making the journey by a less direct route that covers a greater distance.
8. People in part-time employment or insecure employment should have access to the same discounts rewarding regular travel as those in full-time employment.

If you have any questions about this submission please do not hesitate to contact Rhiannon Cook on (02) 9211 2599 ext 128 or email [rhiannon@ncoss.org.au](mailto:rhiannon@ncoss.org.au)

Yours sincerely

A handwritten signature in black ink that reads "Alison Peters". The signature is written in a cursive, flowing style.

Alison Peters  
Director