

NCOSS Submission to IPART Review of Public Transport Fares: Fare Structure



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About NCOSS

NCOSS is a social justice advocacy organisation and is the peak body for the social and community services sector in New South Wales. We work with our membership, comprising a vast network of service delivery and consumer groups, on behalf of people and communities experiencing poverty and disadvantage in New South Wales.

Summary of Recommendations

- 1. Integrate Opal fares across all modes of transport*
- 2. Remove penalties for connections within and between modes*
- 3. Extend off-peak discounts to all modes of transport*
- 4. Reject higher peak travel charge for concession ticket holders*
- 5. Consider the impact of distance-based fare structures on people at risk of transport-related social exclusion*
- 6. Extend the rollout of Opal card top-up machines to all train stations in metropolitan, rural, and regional NSW*
- 7. Introduce the option to vary when, how, and by how much Opal cards are automatically topped-up*

Introduction

The Council of Social Service of NSW (NCOSS) appreciates this opportunity to provide input into IPART's Review of Public Transport Fares. We strongly urge IPART to take into account the needs of the most disadvantaged and vulnerable members of the community throughout this review process. While NCOSS understands the Government's need to maintain appropriate fare revenue from the transport system, it is paramount that the needs of people experiencing poverty and disadvantage be taken into account when structuring public transport fares so as not to exacerbate their disadvantage.

1 Integration Of Fares and Connections

Currently in NSW, passengers are only considered to be making a single trip – and charged accordingly – when they use only one mode of transport. A person who needs to catch two buses to reach their destination will be charged a lower fare than someone who needs to catch a bus and a train. This is discriminatory. People should not be penalised for having a lack of choice in transport modes. In many instances passengers must make several connections, on multiple modes of transport, to reach their destination. For example, a person travelling from Miller, in Sydney's western suburbs, to the Sydney Fish Markets in Pyrmont, would find that the shortest journey (at 1hr 46mins) requires two buses, a train, and light rail. There is no option for this person to take only one mode of transport for their journey, and they should not be penalised for this.

NCOSS strongly supports the integration of Opal fares across all modes of transport and notes that this is in keeping with the government's stated goal of increasing patronage on public transport by making it a more attractive choice (TfNSW *Annual Report 2013-2014*, p.8). Transport connections, on both single modes of transport and between modes of transport, should not be charged given these are not added products or services but are instead inconveniences imposed on passengers by the nature of the transport system.¹ Consumers should not be penalised for the structure of a system over which they have no control.

Of particular concern is the impact the current fare structure has on people experiencing poverty and disadvantage. These people frequently live in areas with poor public transport services and regularly have to travel long distances because they cannot afford to live close to jobs and services. This often requires them to use multiple modes of transport to reach their destination. Separately calculating fares for each mode of transport disproportionately impacts these people and should be avoided.

Recommendation 1: Integrate Opal fares across all modes of transport

¹ Jarrett Walker, *Human Transit: How Clearer Thinking about Public Transport Can Enrich Our Communities and Our Lives*, Island Press, 2012, p.142.

Recommendation 2: Remove penalties for connections within and between modes

2 Spreading Demand and Varying Fares

Discounting fares in the off-peak period should be extended to all modes of transport so as not to discriminate against passengers who only have access to buses. There are multiple sections of the Greater Metropolitan Region that are serviced only by buses and people in these areas should have access to discounted fares in the off-peak period in the same way that train users currently do. Areas serviced only by buses are frequently areas with high proportions of people experiencing disadvantage. These people would greatly benefit from discounted fares during off-peak periods.

Peak fares should not necessarily rise in conjunction with the introduction of off-peak fares as demand for transport in the peak period, and consequently network strain, would conceivably lessen, resulting in other infrastructure and service benefits. Additionally, offering discounted fares in the off-peak period may sufficiently increase patronage so that total fare revenue remains constant, thereby eliminating the need to increase fares in the peak period.²

Recommendation 3: Extend off-peak discounts to all modes of transport

3 Concession Tickets

Transport concessions are currently designed to meet a range of policy objectives. Concessions targeted at low-income earners and others help to ensure these groups can afford the cost of essential services. NCOSS believes that recipients of these concessions should receive goods and services on the same terms as those not covered by concessions.

Currently the Opal Gold card does not distinguish between those with a Seniors Card, which is not means-tested, and those receiving a means-tested pension. NCOSS would have no objection to excluding peak-hour travel for holders of the non-means-tested Seniors Card. However, while this distinction remains blurred, NCOSS cautions against penalising concession ticket holders for travelling during peak hours. The suggestion that concession ticket holders have more flexibility as to when they can travel and can therefore avoid travelling during peak periods ignores the day-to-day needs of this group, especially those travelling from rural and regional areas into greater metropolitan Sydney. Concession ticket holders frequently use public transport to attend health care appointments, and such appointments may be scheduled by hospitals and other health care providers at times requiring travel during peak hours. This is particularly true for passengers

² Walker, *op cit*, p.141.

travelling from rural and regional areas. For example, a passenger travelling from Lithgow to an 11am appointment at Nepean Hospital would need to catch a train at 7.23 am, during peak hours, despite their appointment being during off-peak hours. Similarly, concession ticket holders frequently use public transport during peak periods to drop off and pick up children at school. Carers relying on concession tickets should not be penalised for needing to use public transport during peak hours. These are just two examples of instances where concession ticket holders would need to use public transport during peak hours and they highlight the need to avoid charging concession ticket holders higher rates for travel during these periods. Concession ticket holders are vulnerable members of the community with less capacity to absorb price increases and they must be protected.

Recommendation 4: *Reject higher peak travel charge for concession ticket holders*

4 Structuring Fares by Distance

NCOSS urges IPART to consider the impact of distance-based fare structures on people experiencing poverty and disadvantage. Poor access to transport is a defining characteristic of poverty and social disadvantage.³ There is an inequitable distribution of public transport services across Sydney with people in western Sydney at greater risk of transport related social exclusion.⁴ People who cannot afford to live near service and employment hubs frequently have no choice but to travel long distances to reach these areas. Structuring fares by distance would have a greater impact on these people when they are the ones who can least afford to pay. While distance-based fares may appear more equitable than flat-based fares, the fact that people experiencing poverty and disadvantage are frequently forced to live far away from services and jobs means that such an approach will result in greater inequity.

Recommendation 5: *Consider the impact of distance-based fare structures on people at risk of transport-related social exclusion*

5 Opal Card 'Top-up' and Accessibility

In a community forum meeting facilitated by NCOSS this year, various concerns were raised about the impact of the current Opal card top-up system on people experiencing poverty and disadvantage. The consistent position of NCOSS is that the \$40 minimum online automatic top-up for adult Opal cards is too high for irregular users and for people on low incomes who may not qualify for a concession card but who are still experiencing financial stress.

³ Christine Laurence et al, *Connecting With Buses: Reducing transport disadvantage by supporting bus services in Western Sydney*, Western Sydney Community Forum, Parramatta, 2009, p.5.

⁴ Anne Hurni, *Transport and Social Disadvantage in Western Sydney*, Western Sydney Community Forum, Parramatta, 2006, p.4.

NCOSS commends the government on its continued rollout of top-up machines at train stations. Currently there are 88 train stations that have top-up machines and we understand there are plans for more train stations to acquire these machines in the near future. Nevertheless, the current lack of top-up machines at all train stations in NSW continues to pose obstacles for people experiencing poverty and disadvantage. In some disadvantaged areas it can be difficult to locate an accessible retailer with the facility to top-up Opal cards, and some of these retailers charge a fee for the top-up service. Not all retailers are accessible by people with disability and less mobile passengers, and it is impossible to know ahead of time whether a retailer will be accessible. Arriving at a train station or bus depot only to find there is no top-up service available and the nearest top-up retailer is several blocks away is a huge obstacle for people with disability and less mobile travellers.

The alternative option of linking a credit card to the Opal card is a barrier for those people who do not have access to a credit card or who feel uncomfortable using online payment options. Such people are overwhelmingly those experiencing poverty and disadvantage, and they must not be further disadvantaged. The option of using a debit card for automatic top-ups is also problematic for people receiving government benefits as the top-up may occur before their scheduled payment day or in conflict with other financial needs, making it difficult to manage budgets. Attempted automatic top-ups that occur where there are insufficient funds in the account attract bank fees, which are especially onerous for people with low incomes. Additionally, when registering the Opal card online there is a Captcha phrase that imposes a barrier for people with vision impairment.

NCOSS recommends Opal top-up machines, including cash top-up options, be located at all train stations in metropolitan, rural, and regional NSW (in addition to the current retailer option) so as to reduce barriers to Opal access for people with disability, people with reduced mobility, and other people experiencing poverty and disadvantage. More choice in the timing of automatic top-ups would also benefit consumers from disadvantaged groups.

Recommendation 6: *Extend the rollout of Opal card top-up machines to all train stations in metropolitan, rural, and regional NSW*

Recommendation 7: *Introduce option to vary when, how, and by how much Opal cards are automatically topped-up.*

Conclusion

Thank you again for the opportunity to provide input into this review. If you would like any further information on the issues raised in this submission please contact John Mikelsons, Deputy CEO