

**Dr Mehreen Faruqi**  
Greens Member of the NSW Legislative Council



Independent Pricing and Regulatory Tribunal

5 February 2016

Dear Madam/Sir

**Re: Submission to IPART Draft Report 'More Efficient More Integrated Opal Fares'**

Thank you for the opportunity to provide a submission to review and comment on the Independent Pricing and Regulatory Tribunal (IPART) Draft Report – More efficient, More Integrated Opal Fares. I am making this submission in my capacity as the Greens NSW spokesperson for Transport. This submission follows a previous submission made to the IPART Issues Paper 'Finding the Best Fare Structure for Opal' in August 2015, which can be found here (<http://bit.ly/1S4eFaj>)

The Draft report has made several recommendations including further discounts to off peak fares and an integrated multi-mode fare system, which are welcomed. However, the report has also recommended the end of the 8 trip weekly cap, increasing the \$2.50 cap for the Gold Opal Card, and changes to the weekend cap. Whilst I welcome any changes that make the public transport system more accessible, equitable and affordable to everyone, a system that promotes 'winners and losers' in order to maintain the overall farebox revenue to the Government is not acceptable. Public transport must be considered an essential service to the community and made more accessible.

Please find the following specific comments for your consideration.

**1. Overall Fare Pricing Draft Determination**

The proposal that '96% of single fares will fall' under the draft determination and the positive impact it will have on travel costs for customers who travel 8 times a week or less is welcomed. However changes to the fare structure that then increase fares to regular or single mode users is not acceptable – especially if the goal is to just maintain the farebox revenue collected by the Government, rather than maximising public transport usage and recognizing the significant positive externalities that result.

**2. Fare Structure**

**a. Integrated fare structure**

The draft decision to make the fare structure more integrated whereby customers who make multi-modal journeys are no longer penalised for switching to different modes of transport is supported. An integrated fare system which allows passengers to make seamless journeys across all types of public transport is essential to making the transport network efficient and accessible to all. Any penalties resulting from mode switching only serve to discourage commuters from using public transport.

**Recommendation:** Support the removal multi-modal penalties.

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**b. Distance-based fares**

Proposed changes to the existing distance-based fare model where consideration of the straight line distance rather than track/road distance to calculate fares will mean lower fares for a significant portion of public transport users is welcomed. However, changes that will result in passengers incurring penalties of increased fares for longer journeys are not acceptable or equitable. For rail passengers, fare increases for journeys greater than 65km will, for example, affect those who travel between the city and Wyong, the Blue Mountains and the Illawarra. For bus passengers fare increases for journeys greater than 15km include travel to and from the city and Dee Why, Baulkham Hills, Kellyville and Rouse Hill. It is essential that fares remain affordable to encourage people to use public transport and an increase in fares to some passengers is not supported. It is also a significant concern that the increase in fares would impact passengers travelling from areas within the North West and South West Priority Growth areas.

The Draft report makes the assumption that ‘the further the journey extends from the CBD the lower the external benefits as the roads become less congested’, however, the social and environmental benefits of public transport are not just found in areas suffering from traffic congestion. Public transport also promotes social inclusion and provides a more sustainable and safer transport option than driving a car. As public transport options generally become more limited further from the CBD, higher fares will further discourage people from using it.

**Recommendation :** Implement a flatter fare system where passengers who travel longer distances or who live in the outer suburbs are not penalised for living further away from the CBD.

**c. Frequency discounts and daily/weekly price cap**

The weekly rewards system is considered a key positive point of the current Opal card system as it increases affordability and encourages people to use public transport, including over the weekend. As such removing the weekly rewards system and conversion to a complicated refund model is not supported. A 20% increase in fares for the 40% of passengers who regularly use public transport more than 8 times per week is a large increase in cost.

Increasing daily or weekly price caps for adult, gold and concession opal card holders decreases affordability especially to those passengers who travel longer journeys. Further, the \$2.50 adult fare cap on Sundays allows affordable travel for many (family groups for example). Increasing the daily weekend cap to \$7.20 per person for Saturday and Sunday will become cost prohibitive for many members of the community.

**Recommendation:** Maintain the weekly rewards system and the existing (cheaper) daily, weekly and weekend price caps for adult, gold and concession card holders.

**d. Concessions**

The Gold Senior/Pensioner Opal card is a vital concession and allows the same concessions to all seniors in Sydney and surrounds. It keeps travel affordable and encourages seniors to use public transport, which plays an important role in improving liveability. Removing gold card eligibility from seniors aged

60-65 or those who are not eligible for the state pension when the state pension rules cannot be considered generous in the first instance, will target already vulnerable members of the community and further exacerbate social exclusion for these groups. Such a move cannot be considered an acceptable part of the concessions system.

**Recommendation:** Retain the current eligibility and concessions for Gold Senior/Pensioner Opal card.

**e. Off peak discounts**

The move to further discount off-peak rail journeys to 40% peak time fares is supported as this improves accessibility of public transport by various members of the community such as seniors, the unemployed and families with young children. However, in areas of Sydney reliant on buses, ferries or light rail, passengers cannot access off-peak discounted fares, which is not only unequitable but also reduces the incentives for using public transport.

**Recommendation:** Extend off-peak discounts to all transport modes.

Overall, the fare price for users of a public transport system should not be solely based on efficiencies – an accessible, affordable and sustainable public transport system is an essential public service that should be readily available to all citizens in New South Wales.

Thank you for the opportunity to comment on the IPART Draft Report 'More Efficient More Integrated Opal Fares' and please do not hesitate to contact me or my office for further information.

Kind Regards

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Greens NSW Transport Spokesperson