

Dear sir/madam,

I am writing to you regarding to your recent draft report of opal card reform. First of all, thank you for your time to generate the package to reform the fare structure for the public transport, but to be honest, I don't think most of the decisions and recommendations you made can gain support from customers.

It seems that the reasons and evidence you provided for supporting your decisions are logical and reasonable, but most of them are pretty dominant to your point of view not customers'. For example, you remove the reward free travel after eight paid journey to frequent travelers because the benefits under paper ticketing don't exist under electronic ticketing. This is a typical your point of view. Generally customers don't consider your cost but only concern the unit price. Just like you are running a business, you sell a brand of product with small packages and large packages. The most important reason that customers buy the large ones is that the unit price is cheaper than the one of small packages. They don't consider the different costs of them. Now you decide to remove large packages and sell the small packages only. You cannot actually expect you can sell same amount as before, because there is no motivation to customers for bulk purchase. Customers who previously buy large packages have to pay more to get same amount of the product. This may force them to seek other options which can provide better deals. You may provide cheaper products with lower quality, which customers may consider to buy them. However, customers may be more likely to give up buying your products and consider other brand of similar products which provide better deal. You purely assume that after you remove the reward free travel to the frequent travelers, some of them may consider to catch trains during off-peak time to reduce the expense. Well, maybe some of them will do it, but I believe that more people will consider to go to work by car. Nowadays, petrol price drops significantly. Even the fare of public transport keeps the current level, some of the frequent travelers have started considering to drive cars rather than using public transport. Punishing them with much higher public transport fare will encourage them to replace the public transport travel with private cars. After all, there are so many advantages to drive cars: time saving, less walking, lower possibility to encounter crime behaviors, comfortable environment, etc. As a result, your objectives of the fare reform cannot be achieved: you may fail to encourage greater use of public transport, and it is doubt that you can gain additional revenue from reducing the number of free journeys.

Furthermore, it is not wise to punish frequent travelers to benefit infrequent travelers and part-time workers. Large portion of the revenue of public transport should be from frequent travelers, and most of frequent travelers are the people who work full-time, are NSW residents, and are major taxpayers. While most of NSW residents who travel infrequently or work part-time should be eligible to use concession card to use the public transport. They already get huge benefits. Other infrequent travelers who are not eligible to use concession card are likely to be overseas students or

tourists. They are not taxpayers or not major taxpayers, and should not get benefits from frequent travelers. It is pretty unusual that frequent customers are punished in any business. Making the majority of residents in disadvantage will lose the support to the current government, and people are willing to vote other parties to replace the current one on the following state government election.

For increasing the cap fare on weekend from current \$2.5 to \$7.2, it is an inappropriate suggestion. I believe that people will avoid using public transport on weekends. There are many reasons: \$7.2 for each person on travel expense is too expensive; weekends are off-peak period, and cost of two or three short train journeys may not reach such high cap fare, so it is more likely that many customers may not get benefits from the weekend cap fare; frequency of services on weekend is too low, which is pretty inconvenient compared to travelling by car; much less traffic jams on roads during weekends make people willing to drive a car rather than to use expensive and inconvenient public transport.

Increasing the fare of long distance journeys will potentially increase the default fare, as default fare are determined by the longest possible trip customers may take. This is not a big issue, but should be a factor that you should consider.

It is not mercy to lift the daily cap fare significantly to the gold opal card holders. Financial situation of most of them are vulnerable. In fact, many other states offer free off-peak travel to seniors/pensioners, such as Queensland, South Australia, Western Australia, etc. Daily cap fare between \$3.6 to \$4 for gold card holders is likely to be unaffordable.

Last but not the least, some information you provided on the draft report is misleading or not accurate. For instance, due to the change of distance bands, not all short train journeys become cheaper under the potential new fare structure. The fare for an 8km to 10km train journey will increase \$0.78; for a 15km to 20km train journey, fare will increase \$0.54; customers will have to spend \$0.88 more for a 25km to 35km train journey; a \$1.09 higher fare will be allocated to a 45km to 65km train journey. Although the fare will be calculated based on straight-line distance rather than route distance, there are still some short train journeys which will be more expensive.

All in all, I strongly object to your draft reform of public transport fare structure, and I believe that most of public transport users stand on my side. Most of decisions and recommendations on the report are made purely based on your point of view but not customers'. The new fare structure is absolutely not fair to the frequent travelers who are major taxpayers and contribute large portion of revenue for the public transport system.

Regards,