

Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop
NSW 1240

28 August 2015

Submission re: Finding the Best Fare Structure for Opal

I am a resident of Balmain who works Monday to Friday in the CBD and uses public transport to get to and from work.

As you would be aware, the traffic congestion on Victoria Road (the access point to the Balmain Peninsula) and the Anzac Bridge is very heavy and getting progressively worse.

Therefore, it should surely be a priority to relieve pressure on this bottleneck which affects not just locals but the thousands of commuters travelling by road from the West and North. This is easily done by encouraging the use of ferries by residents of the Balmain peninsula and surrounding suburbs, as opposed to buses which further clog the roads.

I understand that this Issues Paper addresses fare structures rather than fare levels, however in order to put my comments in context, it is necessary to point out the following:

Ferry fare	\$5.74
<i>Balmain East to Darling Harbour (approx. 1.5km and 6 minutes)</i>	
Bus fare	\$2.10
<i>442 bus Balmain to QVB (approx. 6km and 20 minutes)</i>	

Assuming that I make 10 trips per week for 48 weeks of the year and that the frequency discount applies (max 8 trips per week), my choice is to pay \$2,204.16 on the ferries or \$806.40 on the bus. In other words there is a massive disincentive to catch the ferry because I pay \$1,394.76 less if I catch the bus. Yet the impact of such a decision on the community (via road congestion) is so much greater.

I understand the higher costs associated with running the ferry service and do value the convenience and comfort of the service enough to pay a higher premium. However, I believe that the current cost difference is simply too high and that a considerable number of local people with large mortgages simply cannot afford the trade-off. This is evidenced by the conga-line of buses navigating the narrow streets during the morning and afternoon commuter peak hours.

The second issue is that many people do not live within easy walking distance of the wharf. If they catch a bus from home to the wharf, a single trip becomes \$7.84. This means there is virtually no incentive for locals (eg. Balmain, Birchgrove, Rozelle, Lilyfield) to use this method and avoid Victoria Road.

With respect to the Issues Paper I make the following comments:

1. Regarding the assessment criteria, encouraging the efficient use of public transport is most important. The external benefit to society of using the ferry as opposed to the bus, as outlined above, is large enough to justify fares that encourage this behaviour.
2. There is value in making fares more integrated. I support leaving fares at different levels for each mode (although inner harbour ferry fares need to be reduced) but ensuring that multi-trip journeys are integrated and charged at the most expensive rate with cheaper segments being free. This will drive the right behaviour and encourage more people onto the ferries. In my experience the Darling Harbour ferry is very under-utilised, particularly in the morning and evening peaks, so this option would have the added benefit of driving up utilisation during these times and making the services more viable.
3. As above, I support removing penalties for switching modes because it will drive the right behaviour to achieve the efficient use of ferries and decrease road congestion. If commuters can get to a ferry wharf via bus and not pay a penalty for doing so, they are more likely to choose that option. If demand increases then overall revenues will increase and this will offset the reduction in revenue from the few bus trips which are currently being taken. Furthermore, the costs of running the current ferry timetable are fixed and given the current degree of under-utilisation during the peaks, driving up ferry revenues will be a very positive move.
4. I do not support full fare integration. I think that multi-leg journey integration addresses the current inequity issues sufficiently to drive the right behaviour. There is an improved comfort and convenience level offered by ferries and charging higher fares for this is reasonable (just not as high as they are for inner harbour ferries now).
5. I support increasing fares for longer distance journeys and decreasing them for shorter distance journeys. It is easier to encourage a higher proportion of inner city residents onto public transport and we should be doing so. Additionally I note that the paper states that long distance fares have fallen below efficient levels.
6. I support a distance based fare structure.
7. A \$4 flat fare is obviously advantageous to me personally, however I don't believe this will drive the right behaviour in general (ie. it will not encourage the efficient use of transport).
8. I do not support off-peak rates, particularly on ferries. For example, the Darling Harbour ferries are used predominantly by tourists during the day. This will happen regardless of peak or off-peak rates. The cost for commuters is already high enough and they are not the dominant passenger group. Slugging commuters extra during the peak will only reduce commuter numbers and thus utilisation further.
9. I do not support off-peak rates.
10. As above.
11. As above.

12. I often receive the weekly travel reward. I think this is fair given the enormous price of a very short single trip (\$5.74 for a 6 minute ferry trip).
13. I use public transport during the work day when required (as opposed to catching a taxi) as a result of the weekly reward, however I do not make shorter bus or light rail journeys early in the week in order to access the discount sooner.
14. Given that the ferries are most utilised on the weekends (and mostly by tourists), I do not support more discounted fares on weekends. I don't think that makes any sense. When it comes to ferries, the discount incentives need to be targeted to commuters to address under-utilisation.