

Dear the Government,

I am deeply saddened by your proposal to change the Opal fare system for our great city. Granted there are flaws in the system but the proposed changes will do nothing but harm the community and not achieve the revenue gain that IPART has calculated.

I have listed the behavioural changes that will most likely eventuate from the proposed changes.

1. The irony of changing the number of trips required from 8 to 10 to obtain frequent travellers rewards

I work in the CBD in a 9-5.30pm job. Therefore, I have no choice but to travel at peak-hour in order to get to work. My husband is the same. Our currently weekly cost is \$38.56/person/week (assuming free travel after 8 trips). With the proposed increase to 10 trips before these rewards kick in, our costs increase to \$47.40/person/week – which is a 23% increase in our budget.

In total, our household bill increases by \$919.36 per year. We both working in semi-blue collar jobs and this increase is equivalent to a whole week's grocery bill for the family (yes we do not eat a lot).

With 2 young kids in child care, also in the CBD, the total cost of childcare and our travel costs amount to a full person's after tax wage. It makes financial sense for me to become a full time stay at home mum and drive my husband to and fro from work. We have minimal incremental cost from this option as the car is a sunk cost.

Therefore by proposing this change in the travel rewards, Sydney Trains lose 2 frequent commuters and the State loses on taxes and employment created from childcare, and the State will create a long term unemployed parent and more commuters driving into the CBD at peak hour.

With only 1 source of income, we will be under the means testing threshold, I'll also be relying more on family benefits from Centrelink.

The other option is for the family to car pool into the CBD and park every day at a city carpark, thereby saving on travel costs by ~50%.

2. The irony of increase the cost of travel on weekends

On Sundays, our family relies on the rail system to go on family outings and also to church. For a cost of \$2.50/person, we spend all day out and about exploring the city, Blue Mountains and Newcastle, leaving the car at home. We help the economy by consuming on travel, food and shopping and kids activities.

However, with the changes you are proposing, these family days will no longer be and we will either opt to stay at home and/or drive these destinations. If the charging of the 10 most expensive trips is also implemented, we will never venture anywhere that is farther than our usual CBD-home commute, as the incremental cost can be astronomical (especially if we visit Newcastle from Sydney!).

This proposal restricts movements of people to mostly nearby areas and promotes the driving to farther locations. This is contrary to the ideals of the State transport system.

As weekend services are fixed and this drop in patronage will actually increase the cost to income ratio per person per trip, as only the necessary travellers will travel on weekends (and not families which is what the State wanted to promote in the first place). This is much more of a critical issue for less travelled routes such as the inter-city regions!

3. The irony of increasing the cost of train fares for pensioners

Our parents live in the Gong and Newcastle. There is no incentive for them to come visit us and help with the kids if it will eat into their retirement savings.

They are not a fan of driving at their age so therefore our visits will be limited to weekends, where, yes you guessed it, we will opt to drive and not train to the interstate locations as it makes no economic sense to pay for inferior service schedules on weekends.

4. The irony of charging for the longest 10 trips in the week

If the longest 10 trips are paid for while the shorter ones are free, this seems like a penalty to me in that I will restrict my travel to a certain radius, namely my commute, and any locations I want to visit outside of this radius, I'll seek to drive there. This is contrary to promoting the widespread use of transport and even if there public transport infrastructure in some of the outer rims of the network, it will become less and less used. This does not promote economic growth for the city nor state and it limits travel. What may develop are 'ghettos' of travellers who cluster around a certain hub and traverse no farther.

Another problem is estimating the weekly budget. As the refunds for the shorter trips only occur after the week, I'll need to have 'excess' cash in the Opal account so to maintain a positive travel balance for the week. This 'excess' cash buffer is unpredictable week to week (as who knows what the longest trip may be in the week). For a family that is on a tight budget, this money laggard is not a welcomed addition to the family.

5. The irony of making such a complicated system

With so many changes and the impossibility of predicting exactly how much is spent on travel, I think I'll opt for an Uber taxi instead with my husband. It is very likely to amount to a lower more predictable cash flow for my family.

As you can see, your assumed price inelasticity of demand for transport is not as inelastic as you may think. The unintended consequences to plug a revenue hole in the transport budget may most likely lead to more profound economic consequences for the State.

Transport should be viewed a conduit for growth and taxes and the free moment of people, and on a more idealistic level, social health and wellbeing. The high cost of transit for the population may most likely have a multiplier contractionary effect on the State economy and hence state budgets. With many more cars on the roads, it adds pressure on the state to build more infrastructure to cater to the growing traffic congestion.

A much simpler way to 'plug' the State revenue gap is by introducing a weekly travel pricing scheme for more frequent commuters. This is a direct translation of the London Tube scheme whereby the

network is split into zones of travel, and unlimited travel is offered for a flat fee between certain zones. Any travel outside of the tiered zone is charged an incremental amount to account for the extra distance outside of usual zone of travel.

My proposal negates all the negative consequences of what I have outlined AND plug the potential hole in the budget (if set at the right price). The flat citywide weekly \$65 cap is not incentive enough for those who travel within a small radius daily but a tiered flat rate will encourage frequent usage. . It is a much simpler system and adds certainty to the family budget.

Please consider my proposal as London has shown that it is a vastly workable solution for all.

Many thanks.

