

IPART Submission – Public Transport Fares in Sydney and Surrounds

Professionalism

The timing of the release of this draft report must surely go down as one of the most sneaky and underhanded in recent times. I only discovered that this was even happening by chance on Monday 25th January 2016 when I happened to read the paper on my long weekend and saw the article from the IPART Chief Executive¹ even though the report was actually released on 22nd December 2015.

IPART has deliberately created a public comment period that is designed to avoid criticism and analysis of an inequitable and unfair redesign of public transport fares for Sydney. It is proven by the fact that the report was released just before Christmas (after school had finished for the year), where much of the public were already on holidays or busy preparing for them. The Chief Executive waited to publish an article inviting public comment during a weekend that most people had turned into an Australia Day long weekend. The public comment period was chosen such that it closes one week after the first full week of the new school year.

IPART has completely failed in its duty act ethically and professionally by not having a meaningful period that actually provides the public a real opportunity to know what is being proposed, and to provide comment. IPART has deliberately buried this report in the Christmas/New Year/Australia Day holiday periods. The entire public comment period should be immediately extended for another 6 weeks and re-advertised across all media.

IPART should also be directed to never release future reports for public comment if the public comment period covers any time between the week before Christmas and second week of the following year. In future, IPART should be required to produce information material (e.g., posters and pamphlets) at all train stations, ferries, and major bus interchanges to inform the public of proposed changes.

Biased and difficult to analyse

This report is biased. It constantly uses language, limits examples and provides detailed analysis that preferentially emphasise those areas where the public will receive benefits or the government potentially loses income in an effort to overstate the supposed need for massive price increases. The report provides poor analysis for the majority of the public who are negatively impacted by the proposed system, nor provides analysis of whether those changes are fair or equitable.

IPART has produced no tools to allow the public to make informed decisions on how these changes affect them. In an era of modern internet tools it is simply unacceptable to rely on a dense traditional report that limits the ability of the public to engage. For example, IPART should have produced an interactive website of the Sydney network map so the public could be properly informed on how their travel costs would change based on the new pricing and distance bands. In many cases the report reduces impacts to simple averages that in no way represent the diversity of the transport network or its users. Considering that Opal provides precise data on travel times and distances on every single trip ever taken, there is no reason to not report detailed analysis - this

¹ <http://www.smh.com.au/comment/opal-fare-system-needs-to-change-to-make-it-fairer-for-everyone-20160124-gmcwdd.html>

increases the perception that IPART wishes to hide the substantial costs they wish to impose upon the public.

Efficient versus equitable and fair

IPART has made a error by conflating an efficient system with being one being fair or equitable. For example, the GST is an efficient tax but it is a regressive one that impacts the poor more than the wealthy - it is neither fair nor equitable - the same as this proposed pricing system. IPART proposes to increase prices for at least 20% of customers by nearly 10 times the inflation rate for no improvement in services - this is unfair.

Physical, Social and Economic inequality impacts

This report completely ignores the physical, social and economic inequality experienced by millions of Sydney residents because of the city's history - an inequality that cannot be avoided unless you are wealthy. Sydney's major employment centres are concentrated in very narrow areas such as the Sydney CBD and Macquarie Park. The rail network has a radial design and poor intermodal transport linkages west of Strathfield (where the government bus network stops and the substandard private networks begin) because of the chronic underinvestment of public transport outside the inner city. The majority of commuters have no choice but to travel to these areas for employment, and their economic circumstances dictate their travel options which directly relate to the distances they must travel. Statistics show that residents in Western suburbs are poorer and travel longer distances than those who live within 10 km of the CBD - this is not by choice but by need. In addition, most of the cultural centres in Sydney are located in the heart of the city. There is almost no investment in social and cultural events and venues in Western Sydney forcing residents to travel long distances to take part in the culture of the city.

The proposal should be required to account for the deleterious impacts of the intrinsic and unavoidable inequalities experienced by millions of Sydney residents because of the design of the network and the historical development of the city. Massive fare increases should not be imposed by this proposal simply because of where a person lives.

Overemphasis of distance as a driver of cost and opportunistic fares

This report focuses on punishing customers who have no choice but to travel long distances because of the historical development of Sydney without separating the cost of running versus the cost of infrastructure.

Using the rail network as an example, the cost of the rail lines, rolling stock, stations, staff and standard maintenance - represent the base cost that must be paid to have an active transport network, regardless of whether there are people using the network or not. The only real distance based cost of traveling on the network is the electricity to move the train. This is analogous to paying separate electricity network charges as well as for the actual electricity you use.

By IPART's twisted logic, the cost of off-peak travel should actually be higher than peak travel because the volume of passenger travel increases the per person cost of using the network. IPART should be required to provide detailed analysis of the base cost of the network versus the running costs before justifying the massive cost increases on long distance travellers.

The report over-emphasises the cost of opportunistic fares from people taking many cheap journey to reduce overall costs. The reality is that this is a small problem due to the actual time needed to exploit these edge case scenarios. Alternatively, increasing the cost of short trips rather than reducing them would actually help avoid this scenario and also contribute to equity by comparatively increasing the contribution of wealthy inner city travellers (the majority of short distance travellers) to the base cost of the network.

Factual errors

IPART's analysis contains errors of fact. Figure 1.1 shows that no customer will experience fare increases of more than 30%. Figure 2.1 shows that no customer that is in the current 10-20 km band will fall into new much more expensive 15-25 km band. This is literally impossible and exemplifies the exceptionally poor analysis from this report.

For example, Lidcombe station; it is 15.2 km from Central (by Google earth distance tool) and trips from this station to the City would move to the substantially more expensive distance band.

It conveniently ignores that the adjustment of distance bands means customers who travel between 15 and 20 km will change from paying \$4.20 per trip to \$4.74 per trip, for 10 trips instead of eight. This amounts to a cost of \$47.4 per week instead of \$33.60 for a full-time commuter. This is an increase in costs of 41% and is an extortionate impost on the public. Lidcombe is also one of the top 10 most used stations in the network outside the City Circle loop, this proposal will dramatically increase the price of travel for thousands of families.

In addition, historically, all stations on the City Circle loop have been treated identically (i.e trips to the 'City'); however, under the new straight-line distance bands many travellers will now be discriminated against based on which station in the City Circle loop that they use.

The proposed distance bands mis-represent and under-report the massive cost increases that will be imposed upon thousands of people. Distance based travel is not the main cause of costs in the network. The original distance bands should be retained.

The proposal favours the wealthy with access to superior public transport infrastructure

The ABS has shown that people who live within 10 km of the CBD are wealthier - have higher incomes and more expensive housing. However, because of the history of the city they have received extremely favourable investment in public transport infrastructure by successive governments, which provide frequent and diverse public transport options with fantastic linkages. The modelling does not account for the private benefits that accrue to the wealthy simply through their ability to live next to this part of the network. A person who lives close to plentiful bus, ferry and train links does not have to maintain the private transport expenditure of a person who lives further out from the city where transport options are practically non-existent. No do they lose much of their personal time changing between different modes.

For example, the main bus from though the south side of Lidcombe (Veolia, Route 925) is a private provider that runs buses once an hour (with a 'generous' two bonus peak services a day on the half-hour). If they miss a bus, it is literally faster for people to walk to the station than wait for the next bus. The majority *must* drive as it is the most

reliable and useful option. However, the only local carpark charges customers and the poor local infrastructure forces people to park on side streets long distances from the train station - adding another mode of travel - walking. This inequality in infrastructure is repeated all over Western Sydney. The burden of travel time due to the poor design and availability of public transport is not accounted for in IPART's models (nor is the comparative advantage that wealthy inner receive because they do have a great network). This is the main reason most train travel is reported as 'single-mode' - but it isn't - the majority of people outside of the inner city just don't have equitable access to public transport.

Measuring longest straight-line distance favours the wealthy

IPART proposes to increase the number of distance bands, reasoning that customers who travel long distances should pay more of the cost of the travel. However, IPART then proposes a system that reduces the cost to people who do not travel in a straight line but travel the same actual distance as those customers they wish to impose large price increases. IPART also admits that the majority of customers only use one mode of travel (page 7) yet wishes to introduce massive reductions in multi-mode travel costs through an unfair mechanism (introducing straight-line distance measures).

This hypocritical situation favours wealthy Sydney residents who reside in the inner city ring.

How - the majority of long distance travel is by rail, on a radial network that generally travels in straight lines. Those who are wealthy enough to live in the inner ring are more likely to be able to take advantage of multi-mode travel that are orthogonal to each other (it is unlikely that multimode travel will be parallel as a person wouldn't need to change transport modes, and the rail network is linear).

The IPART proposal also favours wealthier residents who live in the south of Sydney compared to poorer people in the west. Anyone who commutes from Cronulla to the City receives a major financial advantage compare with a person who travels on the Western line for the same actual travel distance, simply through their ability to live in a region that is geographically (i.e. straight-line distance) closer to the city. This is incompatible with basically equity principles by distorting the pricing to favour the wealthy and punish the poor because of Sydney's social, economic and geographic divides. The proposal for a straight-line distance payment model is based on technical considerations, not legitimates ones of equity and fairness.

Distance based pricing should be based on actual distance travelled regardless of single- or multi-mode travel.

Summary

IPART's draft proposal for Sydney's transport fares is the most unfair and inequitable change to public transport pricing in a generation - driven by an agenda to massively increase fare income under the mantra of efficiency. The timing of the release of the report and the subsequent public comment period was unprofessional and unethical and should be restarted.

This report completely ignores the physical, social and economic geography of Sydney and will entrench the economic advantage of residents within 10 km of the CBD. It favours wealthy inner city ring residents with access to varied and dense transport options by gifting them massive reductions in transport costs through changing distance

bands and multi-mode travel costs. The draft fares impose massive cost increases on those with the least capacity to pay and through no fault of their own, must travel long radial distances, usually to their place of employment with substandard access to other public transport options. The report unfairly disparages those who must travel long distances on the network as a burden on the network who must be forced to pay excessively more. To maintain an equitable and fair system IPART must keep the original distance bands and retain actual distance based travel. It must decrease the weekly cap increases to reflect CPI increases to protect customers from the unfair cost increases. It should increase the cost of short-distance travel so wealthier customers who get to take advantage of a mature high density public transport network contribute fairly to the cost of the entire system.

There are basic errors in the analysis of public impacts, creating substantial and worrying underestimates of the negative impacts to public transport users. To ensure that there can be public trust in these IPART reports, it must be assumed that the entire analysis by IPART is fundamentally flawed and there should be an independent review of the draft proposal (including all the modelling, assumptions and detailed analysis of negative impacts).