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Submission: The proposed pricing structure will not encourage public transport use, but will in fact discourage it, given the removal of the 8 trips per week cap, the complexity in calculating the weekly credit scheme for each customer, as well as not having a method for customers to have an unlimited travel option, which would both reduce the marginal cost of providing public transport as well as creating a further incentive for customers to utilise public transport over private.

Another point to note, the assumptions around the sensitivity of customers to price increases seem to have been understated, given that there would be instances with which it would be cheaper for people to drive to work than catch public transport which defeats the purpose of making these changes in the first place. It seems that the sensitivity assumptions are seriously flawed in this instance, and have not modeled further the impact of people who may forsake the use of public transport altogether, which would drive up the marginal cost to provide it.

Also, the modelling on the externalities does not show the economic impact of people travelling to other parts of Sydney and the resulting economic activity that would occur as the result of that e.g. a couple catching the train + ferry to Manly and having a meal over there, where they would not have gone otherwise without the free trip incentive. Another externality that was not modeled was that given the increase in public transport patronage and the increase in physical activity, there should be a corresponding decrease in health care costs resulting from the lack of this sort of activity e.g. heart attacks, obesity etc, which again illustrates the fact that the modelling is short sighted at best, and erroneous at worse.

Lastly, the review of prices should not just take into account, predominantly the dollar impact and how to best recover the cost of providing public transport, but also the social costs as well, such as with a reduction in the number of vehicles on the road, there would be less deaths on the roads due to motor accidents.