

## IPART Review – Public Transport Fares in Sydney and Surrounds

I am writing this submission as a frequent train traveller and resident of Sydney. I understand that the IPART review is trying to create a logical system that encourages greater use of public transport and minimises impacts on customers (*More efficient, more integrated Opal fares*, p.1).

Unfortunately, I think some of the assumptions made are counterproductive and not logical. I refer in particular to reasoning behind train fares for single-mode journeys.

### Fares for single-mode and multi-mode journeys

The IPART report states that “Distance travelled... would be measured as the longest straight-line distance between any tap-on and tap-off point in the journey” (*More efficient, more integrated Opal fares*, p.3).

The report elaborates that currently rail fares are calculated by route distance, not straight line distance. **Rail fares should continue to be calculated by route distance** rather than straight line distance. Rail tracks, being a fixed piece of infrastructure, have a fixed cost so it is illogical to have physical infrastructure costs calculated ‘as the crow flies’.

In IPART’s Information Paper 2, it states that “all passengers who travel to, from, or through busy train stations in the weekday peak periods are likely to contribute to rail capacity costs” (p.6).

Therefore, regardless of whether some customers’ journeys are quicker in a straight line distance, if they still travel through the same stations and use the same train tracks then they are contributing the same amount to rail capacity costs!

The NRMA assessed 310 train stations according to IPART’s recommendations (*How proposed Opal changes would cost more*, Jan 18 2016) and discovered that weekday peak commuters from Engadine could be spending an extra \$958.88 per year to use the train if the straight line model is adopted, whereas CBD commuters from Cronulla and Woolooware will save money, as these stations are considerably closer to the Sydney CBD ‘as the crow flies’. As IPART is trying to promote the efficient use of public transport, it is counterproductive for customers using the same amount of train tracks and other resources to be charged considerably different to other customers.

Also, rather than calculating distance based on arbitrary distance bands, a better solution would be to group costs according to train line and geographic patterns. For example, currently the customers from the two close townships of Engadine and Heathcote are placed into different distance bands although the distance between the two towns is tiny compared to the jump in travel cost and in proportion to the large band ranges. This encourages public transport customers to drive to the station within the cheaper distance band which increases the congestion at one particular station and reduces the efficient use of transport. Instead, the same fare should extend from Engadine to the last two stops on the Illawarra line (Heathcote and Waterfall) to encourage a more sensible spread of customers and reduce road congestion between the three townships.

### Impacts on customers and cost recovery

The IPART report states that “Around 10% of single-mode customers would face cost increases that are greater than 20%” (*More efficient, more integrated Opal fares*, p.6). As the IPART report aims to

encourage the efficient use of public transport and promote the efficient delivery of public transport, this significant cost burden on single-mode customers is unacceptable. It can be assumed that **single-mode journeys are the most efficient** use of the public transport system (e.g. single-mode journeys require less infrastructure including tap on and off points, stations and shelters; fewer drivers and staff; and reduced waiting time between connections). The IPART report focuses too heavily on reduced costs for multi-mode journeys.

In addition, the IPART report states that “fares for longer distance journeys would increase relative to those for shorter distance journeys” (*More efficient, more integrated Opal fares*, p.3). Again, longer distance journeys are the most efficient. (For example, a lot of people travelling longer distance on one train requires only one driver versus the number of drivers required to travel on many short routes, in different directions and on different modes of transport). Customers on longer public transport trips should be rewarded, rather than penalised, for their commitment to the public transport system because there is a very real alternative for those customers to drive to a station or transport stop closer to their destination before tapping on in order to avoid large fees. If customers do choose this option to tap on within a closer distance band, IPART has not followed through on its aim to encourage the efficient use of public transport.

#### Price of Travel on Weekends

IPART Information Paper 4 states that the Sunday cap is particularly low for ferry services and should be raised (p.10) yet at the same time IPART has excluded the logical solution to retain the cap but exclude ferry services from it (p.11). Condescendingly, the reason given is that a cap that applies to some modes only is potentially confusing for customers! Meanwhile the IPART report continues to recommend that Opal fares should differ by mode and distance travelled (*More efficient, more integrated Opal fares*, p.3) but IPART in this instance does not deem this to be confusing for customers.

#### Frequency discounting and weekly caps

Customers should receive free travel after paying for their 8 most expensive fares per week, rather than the 10 most expensive fares as proposed by IPART. This ensures that customers can't avoid paying their weekly expenditure by taking cheaper fares earlier in the week (*IPART Information Paper 4*, p.11) but still simultaneously ensures current frequency incentives remain to reward the most prolific public transport users. The report focuses too heavily on reducing costs and making costs 'fairer' for those who use public transport less, rather than encouraging customers who use public transport more. IPART cannot be certain that 10 public transport journeys would still be made even if the discounts do not apply (*IPART Information Paper 4*, p.5). If incentives are removed entirely (particularly for a typical 2-journey-a-weekday customer), this could also remove the incentive to accumulate journeys at the beginning of the week and potential customers may very well choose to use private transport not only for the 9<sup>th</sup> and 10<sup>th</sup> journey, but for all journeys that week.

Therefore, with all above points taken into account, IPART needs to reconsider the illogical penalties that the recommendations impose on public transport's most frequent, long distance and efficient train travellers.