

Submission re Transport Issues paper April 2012

I was particularly interesting in the part of the report that deals with the principles for fare setting.

The paper considers a number of factors but nowhere did I see a calculation of the customer's comparative cost – ie, what other options does the customer have available, and what do they cost?

Unless the distance travelled is quite short, the main cost comparison will be for private vehicles. There seems to be an assumption operating in the report that public transport fares are obviously so much cheaper than private car cost that there is no point mentioning it.

However, if this is an assumption, it is wrong. I make this statement as passenger who attempts to use the train to commute to the Newcastle CBD from within the Newcastle area.

When someone is considering how they will get to work, they must balance several competing factors:

1. How much do I value my independence from timetabling?
2. Do I have parking cost at either end of my journey – that is parking cost at the final destination, or parking cost at the 'home' station.
3. If I drive to work, what is my time to walk to my destination from paid parking or free parking?
4. Would I be able to reduce my vehicle holding costs (ie sell my vehicle) if I can use public transport for work?

I will start by answering the last question.

The vast majority of working adults in Newcastle have cars (including both adults in a couple) - if only to manage their social lives on the weekends, for which the public transport system is completely inappropriate due to the lack of cross suburb services, and low frequency of trips. Therefore, when working adults are looking at their 'driving cost' they look at fuel + parking cost only.

I would say the majority (probably 80%+) of commuters to the Newcastle CBD live within a 30 minute drive. This takes you to a 20km radius of the city which is where the majority of the population live. It is possible in most CBD locations to obtain street parking for free if you are prepared to walk up to 1km to your destination. This increases the journey time to 45 minutes. The fuel cost for this journey is \$6-7 depending on vehicle size.

When the fare is being set, it cannot be assumed that people are paying for parking at the destination end and will pay a premium on the train to avoid this cost.

Therefore for the person at 20km to choose the train, they need to get either a faster journey time than 45 minutes or a cheaper cost. However, this is not what they usually get. At 20 km the journey time is marginally faster but the cost is greater. This equation continues to get worse as you get closer to the CBD – ie the timesaving reduces (as the time taken to get to the station, and park etc becomes a larger and larger proportion of the total journey time) and the cost of driving becomes progressively cheaper in comparison to the fare. In my own case at 15 km, I have possibly a 5minute reduced journey time on the train but my fare exceeds my fuel cost by at least \$2 per day. So I am

effectively paying \$20 per week to save 50 minutes of commuting time – and to do this I sacrifice my independence from timetabling – outside peak hours the frequency drops to almost an hour between services.

The closer you live to the CBD, the worse this equation gets. I don't know why the rail fare system punishes people who live closer to the CBD – in Newcastle, people who live 15 km out are certainly not wealthy, and resent the fact that they are paying proportionately much more in fares than people who live much further south in Lake Macquarie or Maitland where property is cheaper. Perhaps there is an imputed parking cost in all these fares and this is why the very short journeys are such an exorbitant cost for the distance. I am not sure if this is what the flag-fall cost mentioned in the report relates to. I am not sure what the basis for the idea of a flag-fall charge is.

However, as I have stated, if this is meant to cover imputed parking cost, this will not work in Newcastle because there is no compulsory parking cost at the destination. The type of person who is prepared to use rail when they have a car available, will walk from free parking. If they were not concerned about cost, they would drive and pay for near parking, as this provides the shortest journey time within 20 km of the CBD.

Note that there are parking issues at most stations which people also factor in to this equation – that is, the parking is either not available within a reasonable distance of the station, or there is a significant security risk at isolated unmanned stations. Please note that due to lack of fare integration it is prohibitively expensive to catch a bus to a railway station – at 15 km you would be looking at a total daily cost of \$14.

Therefore, if the state government is not prepared to look at these issues as they relate specifically to the Newcastle commuter, then they should stop pretending to be surprised that more people do not use public transport in Newcastle.