

Submission on IPART Proposals for Opal Card Fares

There are a number of aspects to the IPART proposals that will upset a lot of people.

Although IPART is proposing to fix the anomaly where commuters travelling on more than one mode (eg bus + train) have been double charged there is a sting in the tail. It seems the resulting loss of revenue is to be paid for by slugging other customers. On the hit list are regular train travellers, pensioners and especially self-funded retirees.

- For decades the price of a weekly rail ticket has been priced at the cost of 8 single journeys (the basis for the current arrangement of free trips after 8 paid journeys). Now it seems most regular travellers will receive no discount at all and will pay for their **10** most expensive journeys which in many cases would be their only journeys for the week - a 25% increase even before the new fare increases are applied! That will be hundreds of dollars per year). A measure to charge the **8** most expensive trips would have been fair enough and would have addressed the main cause of revenue loss under the current arrangements. But departing from the decade's long practice of weekly travel based on 8 paid journeys is unnecessary and will result in a huge fare increase. Favouring occasional travellers over regular travellers is not going to encourage people to use public transport. The previous Minister for Transport aimed to introduce Opal in a revenue neutral way so that travellers did not get hit with unexpected increases when they changed to Opal. It seems that this principle has now been abandoned now that most people have transitioned to Opal.
- Pensioners will see their \$2.50 daily cap increased by \$1.10 to \$3.60. IPART says 200,000 travellers a day use the Gold Opal card. An extra \$1.10 per day would reap about \$80 million pa. Whilst some increase in this fare might be justified (say \$2.50 to \$3) the proposed increase seems to single out pensioners excessively. Also increasing the fare steeply every year as proposed will soon see fares almost double in a few years.

Regarding travel affordability my wife and I are retired and receive various concessions. For us the Gold Opal card is our most valued concession. We don't own a car and typically spend \$10 per week each on the Opal card. This totals \$260 per quarter and is more than we spend on electricity. Yes it is a good deal but the cost still adds up.

However increasing the fare to \$3.60 daily cap and increasing the number of days paid journeys will be required from 4 to 5 will mean our combined travel costs will increase from \$260 per quarter to \$468 per quarter (\$1,872 p.a). This will be by far the biggest bill we have to pay for except food.

- Self funded retirees. Seniors currently have access to the Gold Opal card. Under the IPART proposals they will lose access to the gold Opal card and the daily cap will increase from \$2.50 to \$9. Over a year for regular travellers, especially those who travel long distances, this could in some cases, amount to thousands of dollars per annum. (For a senior without a car travelling regularly from an outer suburban station 5 days a week an extra \$6.50 per day would amount to an increase of \$1,690 p.a. A couple travelling together would pay \$3,380 extra. Even if they travelled only one day a week they would pay an extra \$338 p.a. each or \$676 together.) Come January 2017 the Federal Coalition Government will kick many thousands off the pension. Losing access to the Gold Opal card as well will be a double blow. At a time of record low interest rates giving little return on savings self funded retirees of relatively moderate means seem to be targeted right, left and centre. I would suggest that the really wealthy rarely use public transport so this measure will mostly hit those of more moderate means.

Also likely to be unpopular in marginal electorates are increased fares for the relatively small

percentage of travellers who travel quite long distances. The extra revenue would appear to be small and penalise many who have had to move out of Sydney due to high cost of housing etc. A lot of political pain for very little gain.

Another proposal by IPART to introduce a \$7.20 weekend daily cap in place of the \$2.50 Sunday cap is likely to be unpopular. \$7.20 per day for each adult in a family and more for children is going to add up and is unlikely to attract passengers. The \$2.50 Sunday cap (or say an increase to a \$3 cap) should be retained and extended to Saturdays. It would also be some compensation for the massive disruptions that travellers have to endure with the never-ending trackwork on weekends.

IPART is proposing increases over 3 years and the increases appear to be well in excess of the likely increases in cost of living. I don't understand why this should be the case. Part of the reason given appears to be to help pay for the new metro railways. I would have thought that the government should be looking to other ways of paying for these lines say by capturing the increased land values generated by the new lines (that is if people actually like travelling on metro trains with hardly any seats).

IPART acknowledges that determining the concession fare arrangements eg the Gold Opal card are outside the scope of IPART's charter. However IPART then turns around and ferociously pushes very significant changes in this area. IPART seems to be saying "it's none of our business but we can't help ourselves and we will exceed our charter and make it our business."

The minister has the power to accept or reject the IPART proposals. Let's hope he realises how politically unpopular some of the recommendations will be once people realise just how much extra they will pay.

I note the comment in the Issues Paper in paragraph 2.3.4 where it is stated *We consider that we should aim to ensure that passengers are protected from very large changes in fares.* This seems to have been forgotten in IPART's enthusiasm to punish regular travellers, pensioners and self funded retirees who the chairman Dr Peter Boxall seems to think have been getting too good a deal. For all the talk of fairness in the media release some passengers will be slugged savagely if the IPART recommendations are adopted by the government.

