

21 December 2015

**IPART**

Re: Public Transport Fares – Draft Report

Dear Sir/Madam,

I wish to comment on your draft determination for public transport fares and in particular on your consideration of off-peak fares. In your information paper on peak and off-peak you handle a number of issues, including the issues associated with travel against the peak direction. I wish to highlight three issues associated with this and request you reconsider.

Firstly, your presentation is slightly incorrect. You indicate the off-peak period is different for Sydney Trains and NSW trains. However this is not completely correct. The period is determined by the station in which travel originates and not by the service used. So for example, a person catching a train from Wollongong to Hurstville at 8:35 will be charged an off-peak fare because they originated from a NSW trains station, Wollongong. However a person catching the 8:33 from Hurstville to Wollongong, despite travelling on a NSW trains service, will be charged peak fare because they originate from a Sydney Trains station. This highlights the determination of the peak times as being rather arbitrary for NSW trains.

Secondly, the information paper determines that travel against the peak direction should not be off-peak. "Capacity costs" is the major reason but a weak agreement at best. In terms of train service, "capacity costs" is only greater for a person travelling contra-peak when compared to off-peak where there is an increased frequency of services. However, that increase in frequency may not exist and in the case of many intercity services does not exist and remains the same as off-peak. Further, if there is an increase in services, it is not provided for the contra-peak traveller but as a direct consequence of providing high frequency for the peak direction. These are simply services that have to run to get them out of the way. It is a cost that is incurred independent of the contra-peak traveller. This reduces a "capacity costs" argument to simply being the cost of providing platform facilities for the person for the brief time they pass through barriers and wait on a platform, and only if that platform is shared with a city bound service. The argument is totally unconvincing.

So return to the above example. The person travelling from Hurstville at 8:33 to Wollongong in contra-peak is already suffering a poorer service than the peak service in the opposite direction. The train frequency is approximately every hour and the 8:33 in particular stops at a significant number of stations with large dwell times and large travel time. The next train from Hurstville is more than 1 hour later (at 9:46). This service is worse than off-peak! No significant or valid argument is provided for that person to be charged a peak fare. It seems they are charged peak simply because they leave a busy station during the station peak, despite the significant proportion of their trip being on a poorly utilised and poorly provided service.

Considering these two points, the person leaving Hurstville going against the peak is being charged more than the person travelling the opposite direction simply because they started their journey within the Sydney Trains network. Under your draft determination, the cost to them for this is an

extra 66% (inverse of 40% discount), or \$3.00 per trip on IPART's 2016 draft determination. Their only way of avoiding this is to travel over 1 hour later.

Lastly, the determination of peak and off-peak for intercity services can be very arbitrary, especially when service frequency is low. A train leaves Wollongong for Sydney at 16:05. If a person taps on at 15:59, they are charged an off-peak fare. If another taps on at 16:01, they are charged a peak fare. They are on the same service that travels for all of its time during peak (though against the peak flow and would typically carry less than 100 people). Again this hardly seems equitable. Furthermore, considering this train is effectively racing to Sydney for return run to Wollongong to handle the demand of late peak travellers, it is hard to see any argument for "capacity costs" that are any greater than for off-peak.

While I have focussed on two examples, there are likely to be many more. Considering all the above, there seems to be an inherent inequity for a person travelling contra-peak, particularly on intercity services, and especially when that journey starts after 8 am from within Sydney.

I hope IPART will consider these issues and modify their draft accordingly to make this situation equitable.

Regards,

Paul Tyler