



Students' Representative Council  
The University of Sydney

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*A submission into:*

Review of Public Transport Fares  
Independent Pricing and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop, NSW 1240

*Presented by:*

Chloe Smith, President □ Students' Representative Council

The SRC welcomes the opportunity to provide feedback on the proposed Opal fare changes. As the representative body for over 33,000<sup>1</sup> undergraduate students at the University of Sydney we are keen to ensure the interests of students are represented and considered in this review.

According to the University's figures significant numbers of students use public transport to access the university's main campus. "At present, 39 per cent of Sydney University's students catch trains to get to its campus, followed by bus (20 per cent), walking (16 per cent) and car (14 per cent)."<sup>2</sup>

Approximately two thirds of Australian university students are living below the poverty line. Financial stress is a very real and heavy burden on students and can be a significant contributor to poor academic performance and attrition.<sup>3</sup>

In considering the proposed changes outlined in IPART's report we make the following recommendations:

1. That the integration of multi-mode fares be adopted.
2. That the 8 trip frequent traveller discount remains. However, if it is determined that changes must be made, that further investigation occurs to explore alternatives to re-crediting of excess fares at the end of the travelling week.
3. That travellers not be charged for any travel taken after a weekly cap is reached.

<sup>1</sup> The University of Sydney Planning and Information Office (2014), The University of Sydney – Key Statistics, retrieved 14 January 2016 from <http://sydney.edu.au/staff/planning/statistics/snapshot/enrol.php>

<sup>2</sup> <http://www.smh.com.au/nsw/sydney-university-pushes-for-light-rail-line-along-parramatta-road-20160128-gmfvrt.html#ixzz3zC0UT3b6>

<sup>3</sup> Universities Australia, *University student finances in 2012: a study of the financial circumstances of domestic and international students in Australian universities*, July 2013

4. That any mechanism involving re-crediting of fares as a travel reward not be implemented.
5. That consideration be given to other concession holders living on smaller incomes such as job seekers and students
6. That IPART recommends the NSW Government reviews it's position on student concessions for International Students.
7. That IPART recommends NSW government funding and investment in public transport is increased rather than overburdening transport users.

## 1. Fares for multi-mode journeys

We support the integration of multi-mode fares as a fairer and more equitable measure for commuters whose journeys require them to switch modes of transport.

**Recommendation:** *That the integration of multi-mode fares be adopted.*

## 2. Discounts for frequent customers

We believe the proposed 'reward' system based on re-crediting at the end of the week any excess fares charged after the 10 most expensive trips in a week disadvantages commuters on low and limited incomes. We believe the current 8 trip reward system has been a very positive development in incentivising public transport use, and the uptake of the Opal card. Rather than abolish this, the government should look at alternative ways of funding public transport to ensure such incentives can remain. The calculated loss in revenue should be considered against the benefits gained in getting people out of cars and into public transport and these associated benefits (ie reduced congestion, reduced carbon emissions, reduced parking issues). If changes are to be made to discounts for frequent travellers, we believe re-crediting as a mechanism to deliver discounts be avoided.

**Recommendation:** *That the 8 trip frequent traveller discount remains. However, if it is determined that changes must be made, that further investigation occurs to explore alternatives to re-crediting of excess fares at the end of the travelling week.*

The report also notes *'we are interested in stakeholder views on the impact of customers needing to have sufficient funds on the Opal card in the first week that they use their cards under the new weekly travel credit scheme'*

If a weekly cap is in place we would argue that once the cap is reached no further travel should be charged for the week. Under the proposed changes the weekly cap would increase to \$32.50 for 2016/17.

The example, like many used in the report, is that of a full time worker with predictable weekly travel patterns and a stable income. We believe the assumption made in the scenario outlined in Box 2.3 and in the framing of this question indicates little consideration of fluctuating and unpredictable travel patterns, and the difficulties faced by those on low and limited incomes.

A re-crediting of fares at the end of the week for students who have exceeded the \$32.50 cap is little help when they've had to forego travel that they were unable to budget for. For those who end up exceeding the weekly cap, this may come at the expense of other necessities, such as meals, medication, groceries etc. Reflecting the sensitivities students have while living on a tight budget, a report released by Universities Australia in 2013<sup>4</sup> found that 1 in 5 students occasionally goes without food as a result of the financial stress

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<sup>4</sup> Universities Australia, *University student finances in 2012: a study of the financial circumstances of domestic and international students in Australian universities*, July 2013

they are experiencing. A cap should be just that, travel costs are capped once the commuter reaches that cap.

**Recommendation:** *That travellers not be charged for any travel taken after a weekly cap is reached.*

We urge you to reconsider the proposed alternative to the current travel rewards/frequency discount scheme, particularly any mechanism that involves charging users up-front and then re-crediting. There are many groups of people, including students, who need some predictability of cost, and the ability to plan and budget ahead of time for these costs.

**Recommendation:** *That any mechanism involving re-crediting of fares as a travel reward not be implemented.*

### 3. Concession travel

The report proposes that a Gold Opal User's daily cap should be set at 40% of the concession weekday cap and that eligibility for the Gold Opal be means-tested. We do not support the proposed means testing for the Gold Opal and are opposed to any shift to further sub-categorize concession travel entitlements. This is effectively implying that there are 'deserving' and 'undeserving' poor, and a review of the average incomes of various concession card holders (based on current welfare payment figures) would indicate that all concession card holders experience significant financial disadvantage.

Much the same as Gold Opal Users, many students do not have a choice around the time periods they are required to travel. If a lecture or tutorial is scheduled earlier and/or later in the day. Depending on the distance a student needs to travel to university many students do not have a choice as to whether they travel in peak or off-peak times.

The current full rate of Youth Allowance for a single student living away from home is \$433.20 per fortnight (or \$11,263.20 a year). Many students are not eligible and work part time to earn a modest income, while some receive limited support from their parents or partners. Research conducted in 2013 indicated the mean annual income for undergraduate students was \$18,634.<sup>5</sup> Many students living out of home are paying more than 50% of their income towards rent. An individual is deemed to be in "severe housing stress" or 'housing crisis' if more than 50% of their income goes towards this expense<sup>6</sup> and means that they are quite sensitive to any other cost of living increases.

To compare, the current full rate of the Age Pension is \$788.40, the basic rate per fortnight. (or \$20,498.40 a year), and the current full rate of Newstart Allowance for job seekers is \$523.40 per fortnight (or \$13,608.40 a year).

If consideration of income warrants a further reduction in fares for Gold Opal Concession card holders, then we believe some consideration should be given to other concession holders living on smaller incomes such as job seekers and students. We are not advocating for Gold Opal users to have their existing or proposed entitlements removed, however we do believe that greater consideration of the financial hardship of all

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<sup>5</sup> Universities Australia, *University student finances in 2012: a study of the financial circumstances of domestic and international students in Australian universities*, July 2013

<sup>6</sup> Judith Yates and Michelle Gabriel, 'Housing affordability in Australia', Australian Housing and Urban Research Institute, Melbourne 2006

concession holders needs to be given when planning around concession entitlements and potential increases to these financially disadvantaged groups.

**Recommendation:** *That consideration be given to other concession holders living on smaller incomes such as job seekers and students*

#### 4. International Students

International Students continue to remain ineligible for concession travel. While international students are still able to purchase a 90 or 365 day MyMulti at a reduced adult cost through the university there is no indication in the report whether these tickets will also incur the proposed 40% premium to be added to paper tickets. It also remains unclear how much longer the discounted MyMulti scheme will remain in place. We believe international students should be eligible for student concession travel entitlements.

International students are a vulnerable group often exploited in the housing and employment markets. Providing them with access to concession travel is important for many reasons including equity and safety. This may fall beyond the scope of IPART's review, however we believe that full time international students should be entitled to concession travel, the same as their domestic counterparts.

**Recommendation:** That IPART recommends the NSW Government reviews it's position on student concessions for International Students.

#### 5. Affordable Transport

Public transport needs to be frequent, reliable and affordable in order to increase patronage. The report does little to account for increasing patronage and incentivizing and encouraging more people to use public transport. What the report lacks is any meaningful consideration of how to increase patronage of public transport as a means of increasing revenue.

The proposed fare changes broadly do little to incentivize uptake of public transport for those who do not currently use these services. The proposed changes represent an 8% fare increase over 3 years which will act as both a disincentive and will overburden the public, many who already face immense financial strain and cost of living pressures. The focus should be on increasing patronage and efficiency rather than increasing price.

**Recommendation:** *That IPART recommends NSW government funding and investment in public transport is increased rather than overburdening transport users.*