

9 October 2015

Transport team  
Independent Pricing and Regulatory Authority  
PO Box K35  
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Via email: [ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Dear Transport team

**Re: Submission: A new methodology for setting fares – Public transport fares in Sydney and surrounds**

Thank you for the opportunity to comment on IPART's September 2015 Transport Methodology Paper, *A new methodology for setting fares – Public transport fares in Sydney and surrounds* (the IPART Paper).

Sydney Airport wishes to raise only one matter. It relates to the following issue raised on page 7 of the IPART Paper:

*To assist with transitioning current fares to optimal levels, [IPART] will develop additional fare options that would allow us to consider impacts on passengers and taxpayers. In addition, we also need to consider options for more integrated fares across modes.*

The matter we wish to raise results from the phase out and imminent closure of the old public transport paper ticketing system and its replacement with the new Opal card based system. While this change over has, in a majority of cases, resulted in a superior system for public transport passengers, it has, in some instances, caused the fares paid by passengers to increase significantly. These significant fare increases appear to occur when the passenger changes public transport mode, such as from rail to bus or vice versa. This lack of fare integration across modes has created a significant *disincentive* to use public transport.

By way of background, more than 150,000 people travel to or from Sydney Airport every day, including 29,000 people who work on the airport site, around 105,000 airline passengers and the remainder who are meeting or farewelling passengers. Based on a comprehensive survey of over 14,000 airport visitors – which was jointly commissioned by Sydney Airport and Transport for NSW in 2012 – around 15% of these visitors travelled by train and 2% by bus. We understand that the mode share for travel by train has since increased to around 18%. In other words, around 20% of all airport visitors use public transport to travel to or from the airport. This, of course, helps to reduce traffic congestion on the already busy road network in and around Sydney Airport's two passenger terminal precincts.

One of the key objectives in Sydney Airport's *Environment Strategy 2013-2018* – which forms part of our approved master plan – is to encourage the increased use of sustainable transport modes, which includes bus and train services. Meeting this objective will become increasingly important as the airport continues to grow. Any disincentive to use public transport should, in our view, be identified and removed.

One case concerns an airport worker who commutes to and from North-west Sydney to Sydney Airport every day. The worker is required to use both bus and train services each way. Under the old system, the annual cost of public transport fares was \$2,944, comprising \$1,748 for the MyMulti paper ticket and \$1,196 for the station access fee. Under the Opal card system, the annual cost will increase to \$4,316, if the worker travels five days a week in peak times (which is more than likely).

The lack of fare integration across different modes of public transport is costing this commuter an extra \$1,372 a year or \$114 a month, which is nearly 50% more than under the old fare system. Unsurprisingly, the commuter is thinking of commuting to the airport by private vehicle, thus adding to morning peak congestion on the already congested motorway and road network.

While this is just one example, there are certainly others, not just amongst the 29,000 airport workers but across the Sydney metropolitan area.

Sydney Airport therefore recommends that IPART develop a fare option for the Opal card system that allows a public transport passenger to change transport modes without incurring a significant cost penalty.

Thank you again for the opportunity to comment on the IPART Paper.

If you would like any further information, please feel free to contact Sydney Airport's Head of Government and Community Relations, Mr Ted Plummer

Yours sincerely

**Kerrie Mather**  
Chief Executive Officer & Managing Director