

The Vaucluse Progress Association

Established 1915

ABN 12 756 395 726

P O Box 29, Vaucluse NSW 2030

The Director
NSW Independent Pricing and Regulatory Authority
By electronic submission

Dear Sir/ Madam,

Submission to Public Transport Fares in Sydney and Surrounds

This submission on Sydney's public transport fare structures is on behalf of the Vaucluse Progress Association.

The Vaucluse Progress Association (the VPA) was founded in 1915 to represent the improvement of the then Municipality of Vaucluse, and today in its centenary year represents residents of the same geographic area of Sydney's eastern peninsular; Vaucluse and Watsons Bay. The VPA has an elected committee representing over 100 members.

The VPA applauds the move to review fare structures, with a view to re-establishing multi-modal fares, and welcomes the opportunity to make this submission to IPART's inquiry.

Issues

Opal has resulted in an unusually inequitable ticketing system by world standards, and one that encourages perverse travel behaviours. The present Opal system has resulted in strong price signals against multi-modal travel, and as such is a direct contradiction of intentions to provide an integrated transport system.

Members of our association have experienced a 50% increase in commute cost with the phase in of Opal in place of MyMulti. For example, an annual multi-mode 8km commute to the City rising in cost from about \$2000 to about \$3000 under Opal, the same cost as a 140km commute from Lithgow.

Solution

We propose that the fare system should be replaced with a time and zone-based system, of the kind frequently found in western Europe, amongst the world's most seamless, integrated and efficient urban transport systems.

There are some issues with time and zone based fares as your Issues Paper paper describes, but we propose these are trivial by comparison the price distortions imposed by individual trip-based pricing.

Irrespective of the specific solution that IPART ultimately chooses, we propose that the singular most important consideration is that pricing determinations be focussed on **origin to destination journeys**, which may span multiple modes and vehicles, as distinct from the historic practice of examining trips on buses, trips on ferries and trips on trains in isolation of one-another.

Ferry-related price considerations

Ferries form an essential component of city travel for many of our members, and it is multi-mode journeys involving ferries that have been most adversely impacted firstly through the abolition of TravelPass, and then the abolition of MyMulti and adoption of Opal. Over the period 2004-2014 (that is, to the introduction of the current Opal pricing regime), CPI increased by about 31%, weekly bus fares 15%, train fares 30%, ferry fares 60% and **combined bus ferry commutes increased 107%**, that is, more than triple CPI. In 2004 the Weekly Blue Travelpass (for combined inner-city bus and ferry travel) cost \$29.

We have noted in IPART's discussion paper some suggestions that ferries should be priced higher because of their comparative cost recovery. We reject this for two reasons

1. Ferry cost recovery has been consistently higher than that of trains. The Auditor General has reported that for successive years to 2013, trains consistently achieve approximately 20% cost recovery while ferries achieve nearer 30%.
2. The capital cost of railways is excluded from cost recovery considerations, as are busway costs (e.g. the T-way and bus lanes) from bus cost considerations. This not doubt will continue to be the case for the new North West Metro and Sydney Metro. Ferries have no such thoroughfare land or construction cost.

When considering the **total capital and operating cost package** of the travel demands of a growing city, ferries present a far more attractive economic proposition where they can be effectively applied and integrated with the transport task.

For these reasons we strongly oppose the notion that ferries represent an extra-cost, and therefore some special omission or surcharge on an integrated pricing regime. On the basis of total costs, if any service stood out for cost-reflective pricing it would be the new South West Rail Link, North West Metro, where the capital and operating costs do and will vastly exceed fare box recovery.

Locations such as Rose Bay- the primary wharf serving commuters of the Eastern peninsular including Vacluse and Watsons Bay- represent an opportunity for integration, both in timetable and in pricing. This opportunity is not only to shift journeys off congested roads (both in cars and buses), but also to alleviate demands on Council parking around wharves, and repurpose buses to shorter, more productive, feeder services both Rose Bay and to Edgecliff Station.

Getting pricing right, to provide signals in support of interchange and efficient use of services, will provide wide ranging benefits to our members and residents of Sydney's eastern peninsular.

Yours sincerely

Anthony Booth
Secretary
VAUCLUSE PROGRESS ASSOCIATION