

Independent Pricing and Regulatory Tribunal

Re: CityRail Fare Increases

So it's that time again. CityRail embark on the usual spurious claims in an attempt to gouge money from commuters for services that are not being nor will be delivered.

A few years ago, CityRail reached a very low state. However that did not deter CityRail asking for substantial price increases. It seems the prevailing theory at CityRail was that users pay, through the nose, and well in advance of any improvement.

To consider any request for fare increases, it is important to determine what level of credibility can be attached to any statements from CityRail. To assess the credibility, let's look at recent history of their actions and behaviour.

Timetables

Trains were having difficulty running to timetable. City Rail advised that in part it was because there were more commuters, and us lazy folk were taking more time to board and disembark trains.

So the response was to change the timetable. How does that help me as a commuter? The trains now run officially to the slow timetable they used to run to unofficially. When you commute from the Central Coast every day, it really adds up.

Result: No improvement to actual running time for commuters.

Performance Measurement and Reporting

By many indicators, CityRail previously performed at very low standards. So what was one of the pillars by which CityRail resolved this? They changed the way late running and other key statistics were measured and reported.

Here's an example: I board a train at Wyee, which has limited stops (Train 1). Another train is scheduled to stop all stations normally departs Gosford a few minutes after our train passes through (Train 2). Train 1 is running late. City Rail switch schedules mid-trip and allow Train 2 to leave as the limited stops train. My train becomes the all-stations.

I have confirmed (twice) via CityRail the statistics are recorded to show Train 2, now running on the schedule for the limited stops, arriving on-time in Sydney. Meanwhile Train 1 (the original limited stops) is measured against the schedule for Train 2. It means my trip is extended by nearly 30 minutes but the statistics show all is well.

Statistics reported by CityRail often compare themselves to their own sad past performance, ie. indicators which have improved. Often they don't publicise the actual level of satisfaction, or publicly benchmark against other businesses.

Result: Commuters delayed, improper reporting of statistics, hidden failure to meet on-time running, self-serving use of statistics.

General Standards and Conditions

My experience has not noted any significant improvement to general train conditions. Recently, one day my train was reduced from 8 cars to 6. There was no announcement at any time why that had occurred, and definitely no apology to customers. I stood up most of my trip. Unfortunately for me I chose to lean against a wall where a CityRail adhesive display of the network had been removed. Although the removal had clearly occurred some time ago, the wall still held much adhesive and dirt which was transferred to my suit.

Soon I will move work location to North Sydney, where I understand there are even greater over-crowding issues. MX recently reported a survey showing 25% (from memory) of customers experienced occasions where they could not board at North Sydney due to over-crowding.

I haven't experienced any better cleanliness of trains. When I arrive at Central everyday, the CityRail staff descend on the early train like locusts. However I have learned there is nothing as fast as a CityRail worker in search of a free newspaper. They swarm the train to get today's paper left by commuters, but routinely walk past all sorts of other rubbish with no attempt to clean it.

Result: No notable improvement to general train conditions.

Service

If service has improved, why is it informative or friendly announcements are greeted with cheers or laughter by commuters. It's because they are still so infrequent as to be the exception to the rule.

What fun the Central Station staff must have when setting up the daily ticket-rope maze. It is rarely in the same place twice, and generally obstructs general pedestrian traffic.

Of course that pedestrian traffic is already impeded by the many, many ticket inspectors that frequent the barriers at Central Station. These burly guys and girls generally stand around in packs of four. I am constantly amazed as commuters without tickets 'spoon' ticket carrying commuters in plain sight of the CityRail inspectors apparently undetected. ('Spooning' is where one person follows through the barrier on the heels of another without having to have a ticket).

Result: Service provision still in the dark ages

Governance

While any large organisation will have it's operational issues, there are standards of governance which must be applied. CityRail delivered the Millennium train years late, and it had all sorts of operating issues, such as the power requirements across the network. This was an unforgivable mistake for an organisation of such size managing a large component of the public purse.

Having not learned from that debacle, it's been reported the latest batch of carriages won't fit many stations, which will require a lengthy and expensive upgrade.

Result: Repeated failures by CityRail funded by the taxpayer and commuter

Probity and the Public Purse

Unsurprisingly in an organisation in utter disarray, the environment is ideal for corruption to occur. Taxpayers and commuters have heard a litany of disaster, including corrupt contracting and commercial practises costing millions of dollars.

Beyond the cost of fraud, the cost of defending/responding to an ICAC enquiry is significant. Major enquiries can easily cost a government organisation seven-figure costs for legal services

Result: Fraud and corruption facilitated by management's poor practises and governance, commuter revenue spent on inappropriate contract payments, or legal costs responding to ICAC

Fare Structure

There are two key issues when considering the proposed fare structure.

Moving to a more distance-based fare structure needs to consider the capacity of those travellers to pay. Many commuters live some distance from Sydney because they cannot afford to live any closer. They already bear the burden of higher-than-average petrol prices, groceries, and a whole range of other goods that have increased transport costs. Additionally, services are either less accessible or more expensive. It seems inequitable to impose the highest increase to those with least capacity to pay.

CityRail have proposed an interesting approach through off-peak discounting. The key issue here is accessibility. CityRail could provide free travel but if work hours do not allow the flexibility to access, then it becomes nothing more than a gimmick. In this case, the gimmick serves two purposes. The first is to allow CityRail the illusion of customer-service. The second allows CityRail to mask the higher increases during peak travel times, by claiming average increases are not as substantial.

Summary

Clearly from the above information, the credibility of CityRail to support claims is questionable, as are the ongoing operations, standards and management of the organisation. The arguments used to propose fee increases demonstrate CityRail management still does not appreciate the task in front of them, or their responsibility to taxpayers and commuters to manage public funds effectively.

The state of the economy also needs to be considered. While each agency is asked to increase revenues/cut costs to help address the large financial hole in the State budget, the broader economic situation is not supportive of increases well beyond CPI. Agencies need to lead the way in reform and cost-savings in order to deliver sustainable and efficient operations. It is inappropriate to gouge commuters to fund excess and poor management.

It is inappropriate to fund promises that are never delivered, and that have no real likelihood of being delivered without wholesale internal change before fee increases. When I buy goods or services, I pay for them in their current condition, not what the salesman promises to me at the next upgrade.

Commuters are so tired of arguing for reasonable fees, tired of poor performance, tired of mismanagement, we find it difficult to continue to make submissions every time CityRail seeks an increase. The danger is this tiredness will eventually allow CityRail to obtain the undeserved hikes they request.

CityRail still runs a third-world rail operation, and it should be supported by third-world pricing. It's time for IPART to demonstrate their true independence. Reduce the existing fees and send a message to the government and CityRail that this organisation is still in crisis and needs wholesale change. When those responsible truly address these issues, a fee structure commensurate with the service being provided (not promised) is warranted.