



Community & Corporate

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5 November 2008

Review of City Rail fares, 2009-2012
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230
Email: ipart@ipart.nsw.gov.au


Dear Sir/Madam,

As a matter of urgency the Blue Mountains City Council resolved at its meeting of 21 October, 2008:

1. That Council, as a matter of urgency, makes a submission to IPART, before November 5, opposing the proposed increase in rail fares for Blue Mountains commuters.
2. That a copy of this submission be forwarded to the Minister for Transport, the Hon. David Campbell, the Member for the Blue Mountains, Mr. Phil Koperberg, and the Member for Macquarie, the Hon. Bob Debus, seeking their support in this matter.

The Blue Mountains City Council submission to the IPART Review on City Rail fares is enclosed for your consideration.

Yours faithfully


for PETER ADAMS

Group Manager, Community & Corporate

IPART Review on City Rail fares
Blue Mountains City Council submission
Date: 4 November, 2008

Blue Mountains City Council wishes to express its strong opposition to components of the Independent Pricing and Regulatory Tribunal of New South Wales (IPART), including the proposed changes to the City Rail fare structure and the impact this will have upon residents of the Blue Mountains and visitors who choose to travel by rail.

In November 2000, the Greater Blue Mountains World Heritage Area (GBMWHa) was incorporated to the World Heritage List. The Greater Blue Mountains Area covers a total area of about one million hectares of mostly forested landscape on a sandstone plateau, 60 to 180 kilometres inland from central Sydney (inland from Wollongong to Newcastle). The City of Blue Mountains has a population of 77,000 and is one of only two cities in the world that is wholly contained within a designated World Heritage Area.

The City's location within a World Heritage Area places responsibilities on the community, the Council and other agencies to ensure that impacts of urban development are carefully managed and that the internationally recognised values of this natural environment are protected. The Blue Mountains attracts millions of visitors from throughout the world to its magnificent environment, making it one of the top five tourist destinations in Australia. It is the only World Heritage Area in Australia readily accessible by public transport from a major capital and Sydney airport, the main point of entry for most international visitors to Australia.

The Blue Mountains serves as a bridge between Sydney and Central Western NSW with the main transport corridors for road and rail located on the central ridgeline across the City. The Great Western Highway is the primary vehicular connection between Sydney and the Central West and the Western Railway Line is heavily utilised for passenger and freight movement within and outside of the region. These transport corridors place pressures and impacts on the local Blue Mountains community and the natural environment and yet they also provide essential links for the Blue Mountains community, allowing access to local services along the length of the 100km corridor and to employment and specialist services outside the City.

Cost effective, efficient and equitable transport infrastructure is key to meeting these expectations and managing our responsibility to the GBMWHa.

Review

The Council welcomes the IPART review process which involves extensive public consultation for the fare review determination.

The Council is making this submission as part of the review process and would welcome the opportunity to provide any additional input that may be required to ensure a fair and equitable determination for residents within and visitors to the City of Blue Mountains and for the long term sustainability of the GBMWHa.

In developing the Council's submission, consideration was given to those matters contained in Section 2.2, including:

- Consumer protection — protecting consumers from abuses of monopoly power; standards of quality, reliability and safety of the services concerned; effect on inflation.
- Equity — between users and non-users; and social impact of decisions.
- Economic efficiency — encouraging greater efficiency in the supply of services; the need to promote competition; and the effect of functions being carried out by another body.
- Financial viability — the cost of providing the services; and ensuring an appropriate rate of return on public sector assets, including dividend requirements.
- Environmental protection — promoting sustainable development via appropriate pricing policies; considering demand management and least-cost planning.

Fares Increase

Blue Mountains residents would be subjected to significant impacts through the proposed 'fare distance' based fare structure. The increase by an average of 12% in real terms over the determination period would significantly impact upon the viability of rail as a long term option for transport in the mountains.

Commuters access the train for a variety of reasons, the majority being to travel to and from their place of employment, to access education facilities such as local schools and TAFE and those located in neighboring local government areas. The Blue Mountains does not have a university within the LGA. Students must therefore travel relatively long distances to access universities.

It should also be acknowledged that these commuters have variable destinations along the network. For example, commuters from Katoomba may be traveling to Springwood, Penrith, Parramatta or the City. The more infrequent rail users may be accessing services for the purposes of shopping, friends, medical appointments or general travel along the corridor.

The proposed increases to periodic tickets of 38% by 2012 would have a huge impact on Blue Mountains commuters as this is the primary ticket used. This fare increase, even though it is proposed to be levied over the years of the determination period, will also have significant impacts on most household budgets, particular those in lower social economic groups who may not have access to other forms of transport.

The Council is also concerned that price increases would exacerbate the move away from public transport in the Blue Mountains. A modal shift back to motor vehicles will place an already congested local and state road network under additional stress. The evidence of carbon emissions from motor vehicles and its effect on the environment are well documented and would have an unacceptable negative impact on air quality and the values of the Blue Mountains World Heritage Area.

It could be argued that if there is a move away from public transport with less people utilising such services, then this could in turn lead to the regressive effect of less revenue being generated on the Blue Mountains Line. As mentioned in other parts of this submission, this could adversely affect City Rail's capacity to maintain existing services.

Council Strategies

The impact of deterring rail use as a transport option resulting from fare increases and a failure to provide reliable and customer focus service, is counter productive to a number of Council strategies. The Council has focused on providing alternative transport options and encouraging more sustainable travel behaviour with the objective of creating more sustainable places through the application of appropriate planning strategies. This thrust is evidenced through policy and strategy documents, including the 25 year City Vision and Map for Action: Towards A More Sustainable Blue Mountains, the Commuter Car Parking Policy, the Pedestrian Access and Mobility Plan, the Blue Mountains Bike Plan 2020, the Local Environmental Plan 2005. Councils' four year Capital Works Program also has a strong focus on providing footpath connections to transport nodes.

There has been some debate in regard to using fare increases for longer travel to discourage urban sprawl. The Blue Mountains is contained by the surrounding National Park and World Heritage area. Growth will not occur in the Blue Mountains and the Blue Mountains Local Environmental Plan 2005 protects the environment and essentially guarantees urban containment. Pricing mechanisms will not therefore assist in containing sprawl and in fact, would erode the consolidation and economic vitality of the existing towns and villages in the Blue Mountains that are centered on the rail line and its stations. Rail use must be encouraged to reinforce sound urban planning principles.

Service Frequency

Blue Mountains services have seen a gradual reduction in the number of seats and carriages in recent years. The lack of appropriate rolling stock has had detrimental impacts on City Rail's ability to maintain existing levels of service, secure an increase in rail travel, or expand additional services. Whilst it is acknowledged that adult Off Peak Fares are not proposed to rise, there is apprehension that the frequency and reliability of these services might be compromised to sustain the peak train demands and schedules. Any decrease in rail use will have a negative impact on all services, leading to a downward spiral in rail patronage.

The value of train travel to Blue Mountains tourism is well documented, and supported by Tourism NSW data, indicating that travel by train is the second most popular mode of transport at 7.3% behind the motor vehicle at 85.5% (March 2008). The Council also suggests that a more flexible ticket allowing for multiple stops along the Blue Mountains line would further add to its appeal for tourists. World Youth Day (pre and post main event) was an example of how large volumes of people could be transported to a regional centre, bringing substantial financial and cultural benefits to the area.

It is imperative that if any fare increase were to be incurred by commuters and tax payers of NSW, then there needs to be real improvements in terms of City Rails quality of services and performance. These areas include 'on time' reliability, frequency of services, clean trains, adequate seating, security, safety and customer service. This is particularly important if IPART is to achieve one of its outcomes, this being to increase patronage of these off peak services.

There is also strong anecdotal evidence that residents and visitors from regional areas west of Katoomba drive to this station to access the more frequent service that currently operates out of Katoomba. The Council will continue to advocate against any further reduction of these services.

Social Impacts

Blue Mountains City Council has major concerns regarding the adverse social impacts of the proposed fare increases for residents of the Blue Mountains. Data from the 2006 census indicates that the Blue Mountains have a higher percentage of households classed as low income comparative to the Sydney Statistical Division. This is particularly pronounced in the Upper Mountains, with 29% of households classed as having low income. This is further exacerbated when considering the impact on lone parents with children under 15, where the Blue Mountains has double the percentage in the low income classification compared to the Sydney area. The Upper Mountains area also has a significantly larger percentage of households without a car (one in five households). For many residents, particularly the most disadvantaged, public transport is essential for accessing goods and services.

Demographically the Blue Mountains have a larger percentage of people over 50 and under 17 years of age compared to Sydney. These age ranges are significant users of public transport. Communities within the Blue Mountains, many of which are isolated and fragmented, are dependant on the train service for commuter travel, accessing goods and services and for leisure travel within and beyond the area. Bus services within the Mountains focus mainly upon local, short distance journeys in and around the towns and villages.

Over half of Blue Mountains residents work outside the Blue Mountains Local Government Area, highlighting train dependency (noted in the IPART report), given the impact of peak oil it is reasonable to assume that train commuter usage will continue to increase if not severely impacted by regressive fare rises. Blue Mountains City Council fully supports and actively encourages increased public transport use to maximise the external benefits noted in the report particularly the environmental benefits.

Blue Mountains City Council believes the proposed fare increases could undermine the trend toward increased train usage and negatively impact the most financially and socially vulnerable members of the Blue Mountains community increasing social disadvantage and isolation.