


Combined Pensioners & Superannuants Association

OF NEW SOUTH WALES INC



1 October 2010

Submission to the Independent Pricing and Regulatory Tribunal



Review of Rural and Regional Bus Services 2010

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Combined Pensioners & Superannuants Association of NSW Inc (CPSA)

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CPSA was founded in 1931 in response to pension cuts. CPSA is a non-profit, non-party-political membership association which serves pensioners of all ages, superannuants and low-income retirees. The aim of CPSA is to improve the standard of living and well-being of its members and constituents. CPSA has approximately 138 Branches and affiliated organisations with a combined membership of over 23,000 people living in all parts of NSW.

CPSA believes that given the significant increase of 8.5 per cent to fares in 2009, any increase to fares for 2011 should be kept to a minimum. IPART's estimate of the likely increase to the Bus Industry Cost Index (BISI) is 1.1 per cent. This also indicates that substantial fare increases would be inappropriate.

Substantial fare increases have a detrimental effect on the affordability of transport, especially for pensioners, Allowance recipients and other low income households. CPSA notes that the introduction of the \$2.50 Regional Excursion Daily (RED) ticket is making a marked difference for transport affordability for pensioners and seniors. Others on low incomes may be entitled to concession fares at generally half the full fare. However, increases in full fares have a direct proportional impact on the price of concessional fares and therefore any substantial increase is felt considerably by those on low incomes who cannot access the RED ticket. Consideration must also be given to the fact that concession fares are not available to all low income earners and income support recipients. Many Newstart and other Allowance recipients are not entitled to concessions because they are not on the full rate of Allowance. Because of these circumstances, many income support recipients must pay full fares on minimal incomes.

CPSA recommends that IPART recommend to the NSW Government an extension of the \$2.50 Regional Excursion Ticket Daily to holders of the low income health care card to lessen the impact of price rises on low-income earners.

The utility of concessions provided to some income support recipients are muted if only one or two daily services (or worse, less) are available. Furthermore, they are of no use if people are unable to utilise services due to the distance to stops, non-accessible busses or infrastructure or poorly timed services.

The review of fares should also take into consideration the greater level of transport disadvantage felt by rural and regional communities compared with those in metropolitan areas. It is vital that the use of public transport be encouraged. Rural and regional areas already have only few public transport options and thus people become reliant on private vehicles if they are even able to drive. The individual and community costs of private vehicle use, and the correlative social benefit of increased public transport patronage, should be considered in fare determinations.

IPART notes that fares for rural services are generally 25 per cent higher than for country town services. It is also worth noting that fares for regional services are considerably higher than those in metropolitan areas (see tables 1 and 2). Given this situation, CPSA would only be supportive of a single fare structure for both rural and regional services if the cost of fares for rural services was reduced to the level of those for regional services. Such a move would achieve greater parity between bus services in rural, regional and metropolitan areas.

Table 1: Adult fares 2010

Section	Metropolitan	Country Town	Rural
1	\$2.00	\$2.10	\$2.60
2	\$2.00	\$3.00	\$3.80
3	\$3.30	\$3.80	\$4.80
4	\$3.30	\$4.50	\$5.70
5	\$3.30	\$5.00	\$6.40
6	\$4.30	\$5.60	\$7.10
7	\$4.30	\$6.10	\$7.70

Table 2: Concession fares 2010

Section	Metropolitan	Country Town	Rural
1	\$1.00	\$1.00	\$1.30
2	\$1.00	\$1.50	\$1.90
3	\$1.60	\$1.90	\$2.40
4	\$1.60	\$2.20	\$2.80
5	\$1.60	\$2.50	\$3.20
6	\$2.10	\$2.80	\$3.50
7	\$2.10	\$3.00	\$3.80