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Tuesday, 16 August 2005

Mr James Cox  
Chief Executive Officer  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB POST OFFICE NSW 1230

Dear Mr Cox,

**01/06/2005 Invitation for submissions for the review of private and public bus fares 2005**

Please accept my late submission on IPART's review of bus fares and the pricing proposals of the bus operators.

I have sent my short submission and covering letter by post and by email. I would be happy to follow-up any point or answer questions orally or in writing.

I would be happy for IPART to add this submission to its website.

Sincerely,

Dr Chloe Mason

## **SUBMISSION TO IPART on REVIEW OF PRIVATE AND PUBLIC BUS FARES 2005**

### **Introduction**

I make this submission as an individual and as a user of public transport.

Professionally, I work in the field of mobility management<sup>1</sup> a people-oriented, place-based approach to getting around or travelling in healthy, environmentally sustainable ways. In NSW, this entails the integration of landuse-transport planning and management and consulting with organisations (usually major trip generators) on the development of active travel policies and programs, particularly programs to overcome the information deficit about public transport (in contrast to the information available to motorists) and to raise awareness of walking and cycling catchments.

I have an appointment as a Visiting Fellow, Institute for Sustainable Futures, UTS. I contribute to the Transport Policy Advisory Group, NCOSS; I am a member of a number of organisations including AITPM, PIA and the Public Health Association of Australia; and I am an active member of BicycleNSW.

My submission has a number of aims:

- 1) To identify significant changes relevant to the use of buses and fare pricing (as part of public transport and the broader transport system)
- 2) To outline the merits of pre-paid tickets in relation to some of IPART's stated goals and to recommend restoration of the differential
- 3) To raise specific issues that would contribute practically toward 'encouraging environmental sustainability', one of IPART's goals.

The Ministry of Transport's paper deals, of course, with fare pricing but appears not to have taken these perspectives into account or streamlined its approach with its new legislative responsibilities and the other changes outlined below.

### **Background**

I have previously made submissions to IPART reviews relating to transport in my former capacity as Manager, Transport Program, UNSW. That position was not an academic position but related to bus services and conditions for bus travellers, and conditions for people walking and cycling to UNSW. Matters raised previously include a number of the specific issues canvassed in the paper by the Ministry of Transport including concession entitlements and the pricing of pre-paid tickets relative to on-board tickets.

Those earlier submissions were grounded in the role and goals of IPART and the necessity to appreciate the functioning of the overall transport system of which buses play a significant, but not independent part.

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<sup>1</sup> For example, see the European Platform on Mobility Management - [www.epommweb.org/](http://www.epommweb.org/)

Subsequently, in submissions to the Parry Inquiry I have put the case in some detail for a more comprehensive, systems-approach to transport as a prior basis for examining and making decisions about one element, such as bus fare pricing. The value of having objectives for public transport cannot be underestimated for a strategic approach to the current pricing task before IPART. The publication and widespread readership of *Our Public Transport: a community view* in November 2003 indicated that many organisations and people are concerned (witness the SMH ‘campaign’). This concern extends to public policy-making in NSW that is seen as failing by treating as a residual service whereas it is an essential service that needs to become more mainstream and grow, shifting people out of cars onto their feet, bicycles and public transport.

The Unsworth Review has gone some way to articulating the essential role of public transport for urban amenity, health and safety, and social inclusion. Such relationships are understood at the local level, often expressed in Councils’ social plans, and increasingly in NSW by the urban planning, health and welfare sectors.

### **Changing context for IPART’s review**

I list below some of the significant changes that have occurred since IPART the last reviewed of bus fares and pricing.

1. Extension of the Pensioner Excursion Ticket to use on services outside State Transit contract areas– a welcome, equitable change.
2. NSW legislative changes whose objectives include increase in the use of public transport and the inclusion of Councils and major trip generators in the proposed process of transport planning transfer of trips from private car to public transport. These directions are spelt out in the *Service Planning Guidelines: Sydney Contract Regions* (July 2004) giving effect to new legislation *Passenger Transport Amendment (Bus Reform) Act 2004* and amendments to the *Passenger Transport Act 1990* (July 2004).
3. The knowledge and evidence of harm to health from motor-vehicle pollution has strengthened over the last year – references available on request.
4. The human and economic costs of injury and death from incidents with private motor vehicles can be reduced by reducing exposure to such risks.
5. Transport costs, principally running private motor vehicles, are a growing portion of household expenditure.
6. Growing appreciation of need for abating greenhouse gas emissions that should strengthen ‘transit-oriented development’.
7. Growing disquiet about the appropriateness and inequity of ‘perverse subsidies’ to motorists for car parking, including by public authorities (e.g. NSW Art Gallery, University of Technology, Sydney). Potentially, these perverse subsidies (& others) may be a source of funds that could be

transferred to public transport services rather than relying on a higher yield from the farebox.

8. A review of the Parking Space Levy Act has been undertaken in which the capacity to raise extra revenue has been canvassed. The MoT needs to look elsewhere for funds than take the paradoxical step of cutting the many benefits of having discounted multi-trip tickets (as other competitive commercial entities have copied the concept e.g. loyalty coffee cards).

## **The merits of multi-trip pre-paid tickets**

The use of pre-paid tickets reducing loading time on buses (based on research conducted for UNSW). Cash fares can be expected to be phased out for reasons of efficiency of loading, reliability, and to better protect the security of bus drivers.

As pre-paid tickets have a discount, from an operator perspective this has been narrowly viewed as a loss of revenue but there is a fallacy in the MoT's approach to the few benefits it acknowledges of allowing such discounts.

The discount for multiple trip, pre-paid tickets acts as an incentive to individual travellers not only for the financial saving. From the perspective of bus travellers recognise that multi-trip pre-paid tickets offer convenience of already having a ticket, not having to find the cash and not queuing to board the bus and not delay the bus loading passengers.

Taking a 'customer focus' is an explicit aim of the new legislation as well as to increase public transport use at the expense of making trips by car, particularly buses as over 50% car trips in Sydney are less than 5km (approximate data).

Reducing car use can be achieved by major trip generators, served by bus, encouraging access by public transport, cycling and walking ('active travel').<sup>2</sup> The availability of discounted, pre-paid tickets is one of the (currently) few ways of offer inducements to people to switch from car to bus. As a "ticket products", trip generators can offer staff these tickets by salary deduction – this is appreciated by people on lower incomes, and in a social sense supports a culture of public transport use. A number of major trip generators with 'active travel' for health policies or sustainability policies have joined the traditional organisations, predominantly in the financial sector and transport agencies, to offer this service to staff.

### **Recommendation 1 – apply a similar discount (say 20%) on all TravelTen bus tickets**

It is desirable to simplify pricing, so that it would be appropriate to apply a similar level of discount TravelTen tickets for the range of zones.

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<sup>2</sup> RTA-SEDA (2002) *How to produce and use a Transport Access Guide*.  
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Over the years, the financial incentive to purchase multi-trip, pre-paid tickets has been eroded by decisions of IPART to accept proposals from State Transit.

This year the MoT proposal seeks to cap the discount at 15% - I reject this proposal.

**Recommendation 2 – raise the discount on all TravelTen bus tickets to 20% (from around 15%) for new policy reasons**

I RECOMMEND that IPART take this opportunity to raise the discount to more than 15%, say 20% for all TravelTen tickets under the new Sydney metropolitan bus service guidelines, giving effect to the policy objectives of customer focus, encouraging bus use, service reliability and IPART's own goals of reliability and environmental sustainability.

A good news decision could be announced to highlight the Government's new policy objectives and participatory process being ushered in through the implementation of new legislation.

**Recommendation 3 – enable Pensioners to buy pre-paid Pensioner Excursion Tickets**

It is a great step forward that Pensioners can obtain the concession in all Sydney bus contract areas.

On the basis of bus service operators taking a customer focus, the MoT needs to enable Pensioners to also buy tickets pre-paid. Availability of pre-paid tickets would avoid people from having to board the bus, sometimes an effort, without then having to find the cash to buy the ticket. Pensioners are often aware of how their mobility difficulties make them relatively slow to board and then have no choice but to then find the money for the ticket. By allowing Pensioners at least to have the choice of purchasing a Pensioner Excursion Ticket would remove one of hurdles and sources of embarrassment in catching a bus.

**Recommendation 4 – require all operators in Sydney contract areas to offer TravelTen tickets and accept pre-paid Pensioner Excursion Tickets**

**Recommendation 5 – on-going improvements in traveller information required**

The MoT has made major strides with improving the Transport InfoLine service. It is important that staff cutbacks in recent years are reviewed so that it can maintain and continue the program of expansion.

The State Transit kiosks were a good innovation. At last look, however, the Railway Square kiosk – great location – offered only bus information and people enquiring about ferry information were directed to travel to Circular Quay to pick it up. This kiosk serves a lot of newcomers to Sydney and therefore the MoT should consider how a one-stop shop for getting around by public transport, cycling and walking (active travel) could be set up in stages. The City of Sydney Council, other Councils and the RTA and BicycleNSW have walking maps and cycling maps.

**Recommendation 5 – Review subsidised car parking practices of public authorities**

As a useful source of potential revenue. have insufficient time to elaborate today but could do so at a later date.

**Recommendation 6 – Bus fleets to include alternative fuelled (CNG, electric) buses**

This shift would give effect to IPART's goal of encouraging environmental sustainability (human health, social equity). I have insufficient time to elaborate today but could do so at a later date.

END.