

Commuter Council 3 <commuters@bigpond.com>
31/03/2006

RE: 2006 REVIEW OF RAILFARES SUBMISSION NUMBER 3

THE SUBMISSION BELOW WAS PREPARED BY HUNTER COMMUTER COUNCIL MEMBERS AND IS SUPPORTED BY THIS COMMUTER COUNCIL.

Over the previous 2 years, the total number of services have been cut, and the majority of the remainder have are now running slower.

Overcrowding has worsened apart from where large numbers of passengers have abandoned the network.

Extensive trackwork shutdowns result in the forced use of even slower less convenient, replacement buses.

This is an INFERIOR outcome that CityRail should be compensating passengers for by reducing fares, not raising them.

People value time & this needs to be recognised.

As there have been CPI increases over the preceding 2 years of approx 4 % this could be constituted as some form of compensatory cost decrease, in 'Real' terms, but only if the income affected passengers has increases by at least the CPI or greater over the same period.

It is not just the financial costs to passengers that should be taken into account by the reduced, slower, less convenient services. Longer travel times can have 'social' & 'family' cost factors, such as reduced time together in relationships, inability to attend events with children etc, that have no monetary terms but are nevertheless negative impositions.

Raising fares will only add a financial impost over and above the already odious time impost.

Further, these unwarranted additional costs will only reduce a persons disposable income {if any depending on a persons financial circumstances]with possible negative flow ons in business activity, particularly for business that relies heavily on the availability of 'optional' disposable income.

These are generally 'leisure' or 'recreational' type businesses such as restaurants, theatres etc.

It is noted that Minister Watkins has stated that he wants to see a reduction in private vehicle utilisation & increased use of public transport. Raising fares would not be consistent with achieving such an outcome.

The NSW Government has various policies that have stated objectives to achieve a reduction in private vehicle utilisation, in part through increased utilisation of public transport. [EG - metropolitan Strategy, Shaping Our Cities & Action for Air. Raising fares would not be consistent with achieving the stated objectives. Neither would it necessarily result in increased fare revenues whether in actual terms or as a percentage of cost.

To the contrary, the experience in Brisbane has been that a fare reduction and the introduction of cheap 'all day passes' has led to a sustained increase in both patronage and revenue.

The Auditor General's review of the Liverpool / Parramatta Transitway notes that when fares were reduced in accordance with the Bus Reform process both patronage & revenues increased. In year 2 of the LPT's operation approx 13 % of patronage noted as alternative to car use.

In Newcastle, the introduction of the Fare Free Zone in the CBD area has reversed a twenty year decline in CBD bus patronage. This includes many within approx 1 km of the zone boundaries now walking to the edge of the zone to ride for 'free' instead of driving their cars.

In addition people from further afield are now undertaking Park 'n' Ride from the edge of the zone instead of driving all the way into the CBD. Park 'n' Ride at Stockton in lieu of driving and parking in Newcastle has resulted in increased ferry revenue, with the Stockton Ferry also operated by Newcastle Buses. Parking at Stockton is free, and the ferry fare acts as defacto parking fee (its cheaper than parking costs in Newcastle CBD & the fare free zone allows convenient travel elsewhere in the CBD area).

Port Stephens Transport working Group minutes record the popularity of this option directly linked to the creation of the Fare Free Zone.

Also a recent survey of bus passengers within the fare free Zone conducted on behalf of the Newcastle alliance found approx 55 % of passenger travelling for 'free' within the zone were now using buses more often on paid services outside the zone.

Data available from the 2001 census and reported in the 'Newcastle Transport Options Planning Study' [KBR 2003 for DIPNR] noted journey to work by bus in Newcastle CBD had declined to approx 7 %. The Alliance survey found journey to work by fare free passengers at approx 15 % with an additional 19 % on 'work related' business. Fare Free patronage constituted approx 40 % of all bus patronage within the zone and approx half of this could be expected to be 'new patronage.'

Put simply:

In approx 1 year the fare free zone has generated an approx 20 % increase in bus patronage reversing a twenty year decline.

Newcastle Buses are starting to recoup the cost of the zone by generating additional revenue on the ferry service by Park 'n' Ride and other zone generated patronage increases.

The fare free zone is reducing the use of private cars either by them being not used completely or through reduced Vehicle Kilometres travelled by fringe Park 'n' ride users.

By contrast, in the 5 years prior to the introduction of the fare free zone, Newcastle Buses were granted fare increases every year. Each year they lost patronage and either experienced real revenue decline or a decline in revenues as a percentage of cost.

It is obvious on the examples given that fare increases are counter productive to growing patronage and getting people out of cars. Frequently they are counter productive in terms of actually growing revenue.

Apart from these factors, because public transport is intrinsically linked to a broad range of social, economic, environmental & social factors any application for fare increases should not be based on a financial basis alone.

State Transit should undertake a full economic evaluation of any proposed fare increase & this should be done most appropriately in accordance with the NSW Treasury Guidelines for Economic Appraisal.