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**Subject: Objection to City Rail proposed fare increase.**

I used to travel regularly with City Rail, but due to the dismal service level and cost, I recently changed to driving for my regular work commute, using Cityrail for other journeys.

I object to the fare increases, especially the off-peak hike for a number of reasons, but primarily because service levels have not improved.

**Reasons for not increasing fares include:**

1. As indicated, service levels has not improved over the long term, they have just managed to return reliability to its long term average, but only by reducing services, slowing services down and changing the definition of on-time.

The true reflection of greater satisfaction with the system would be an increase in patronage, and until that is seen, it is premature to start increase fares on the basis of short term statistical performance improvements.

2. City rail uses cost comparisons with other transport modes in Sydney and other rail systems world wide. These are of limited value, unless all aspects of pricing are taken into account. For example:

In section 4.5.1 they compare the cost of a Sydney rail journey with the cost of a bus trip. They have ignored the fact that Sydney Busses offer a travel 10 ticket which provides discounts that can be used peak or non-peak. City rail do not offer a travel 10 type of ticket.

The International fare comparison has city rail as one of the most expensive for short trips, with only Melbourne, Berlin, Tokyo and Toronto higher. Again, this does not take into account the true value of the ticket price paid. For example Melbourne has a far more flexible fare structure giving a full 2 hr travel for the same price, and allowing mode changes, against city rails fixed distance. It's a really tough claim to make that the City-rail ticket is better value.

In Addition when compared to the cost of motor vehicle travel in Berlin and Tokyo (Very high compared to Sydney), I think you would find that CityRail actually has the **worlds highest fares** for short journeys compared to the car based alternative. **And this is the fare they want to raise by over 9%**. This should not be allowed on the basis that City Rail certainly do not offer worlds best practice in rail service, and should not be allowed to charge some of the highest rates in the world.

Compared to other Australian cities such as Melbourne the fare comparisons are almost useless, because Melbourne and other cities offer far more flexible pricing schemes. In Melbourne for example a simple zone based fare, you get 2 hours travel on any mode of transport. This is obviously a huge advantage and add's significant value to the fares. Yet it's never taken into account in these comparisons.

Using myself as an example I use a train to get from the City to Bondi, on the odd occasion. A weekly ticket does not work for me, so I need to pay the single Train Fare **plus** the bus fare. City rail would count this journey as just the train fare, where as in almost all other locations in Australia including Melbourne, this would be the one single fare.

These very basic comparisons that CityRail use to justify the 'value' of their service, are invalid because they ignore all the other real world value that operators provide, such as a ticket's ability to support mode changes, multiple journeys, return journeys etc.

3. Previous IPART determinations indicated there needed to be a fare increase to provide funding for service improvements regardless of if the service had actually improved. Clearly this did not work as while fares were rising, service levels were decreasing. Eventually this resulted in the system almost collapsing.

The primary measure of service improvements should be increasing patronage compared to other transport modes. Until this happens, fare increases should be limited.

4. City-rail makes the argument that Fare increases have minimal affect on patronage. But then they use the argument of decreased motor vehicle costs as a reason for patronage drop. This is inconsistent.

*Periods of falling patronage in 1975/8, 1991/2 and 2001/2 correspond with periods of national economic downturn, improved road networks and the increased affordability of cars after the introduction of GST in 2000. City rail submission 03*

6. In a previous submission to the IPART. City rail made the following claim:

*The CityRail system is designed to cater for the capacity needs of the commuters as they represent the maximum rail passengers on the system at any one time. This results in commuters driving the costs of the system supporting the argument that commuters should pay a higher fare than off-peak passengers. The leisure and off-peak segment offers a growth opportunity as it utilises existing capacity and resources during periods of low demand from the commuter market.*

City rail submission 03

There is significant excess capacity in the City Rail system in off-peak periods, so it still makes sense to put incentives in place to use the system during this time, increasing off-peak fares will achieve the opposite. What has changed?

Fare box recovery should not ever be the overriding factor in determining a fare increase. Fare increases do affect the desirability of Public Transport in this city, and it's clear this city should be doing everything to encourage public transport usage.

In Sydney we have the transport operators asking for fare increases, while the government sits back and does little to encourage usage. Contrast this to Melbourne where for example they recently introduced the Sunday saver. Which is **all day travel on Sunday in Zones 1,2,3** (all the suburban network) **for \$2.50**. What a FANTASTIC initiative. In Sydney the equivalent would cost **\$15.00 -that's 600% more in Sydney**. And as for Sunday travel, we get treated to reduced services and almost constant shutdowns due to rail works.

In summary without significant service improvements there is no justification for any fare increase from Cityrail. And even if service levels were to improve significantly there is no justification for the significant proposed hike in off-peak fares.

Regards