

SUBMISSION TO IPART IN RELATION TO CITYRAIL'S PROPOSAL TO INCREASE TRAIN FARES

This submission has been prepared based on my experience of daily train travel between the Blue Mountains and Sydney.

Summary – there can be no fare rises for Blue Mountains train services:

Cityrail cannot justify increasing train fares for Blue Mountains train services when you take into account the social and environmental impact, the decreasing standard of service and Cityrail organisational inefficiencies.

Issues of inefficiency and cost overruns within Cityrail are not resolved by increasing fares. Any increase in fares must be justified; further, it must also be matched by a commitment from Cityrail to improve services. Passengers shouldn't be left to wear the burden for an inefficient management structure that is inward focused and lacks accountability. Any review of fares must address such issues.

Cityrail's claims of increasing passenger incomes are no justification for increasing fares. Neither does claims of network complexity and low population densities justify huge increases in off peak fares. Further, the high level of car ownership should not influence the pricing of train services.

Any review of fares should address the social, economic and environmental cost of Sydney's over dependence on cars. Claims that fare increases do not impact on patronage are not only an abuse of monopoly power but also demonstrate a 'feudom' approach that does not serve the longer-term public interest in dealing with Sydney's transport problems.

Off Peak Fare Increases

Increasing off peak fares will only hurt the unemployed, those who work part time, the disadvantaged and lead to increased car use. Cityrail has not provided sufficient data to reinforce the claim that off peak train use is not price sensitive. Further, there will be a negative impact on tourism, which the Blue Mountains economy relies upon. Tourists tend to travel during the off peak therefore increasing off peak fares will deter tourists from travelling to the Blue Mountains by train.

Cityrail cannot justify increasing off peak fares when you have to wait up to 2½ hours for a train if you live beyond Katoomba. Current off peak arrangements for the upper Blue Mountains do not justify an alignment of off peak fares to peak fares as claimed in Cityrail's submission.

Peak Fare Increases

Longer journey times, reduced services, more suburban stops, overcrowding and the removal of the express status of the 'Fish' and 'Chips' does not warrant an increase in peak fares. Especially when maintenance issues continue to impact on service reliability and on time performance.

Standard of Quality, Reliability and Safety of Intercity Services to the Blue Mountains:

1. Cityrail's performance in delivering clean, safe and reliable train services to the Blue Mountains is questionable.

a) Reliability:

Intercity on time performance over past 6 years show system is less reliable now than it was 6 years ago:

Period	99/00	00/01	01/02	02/03	03/04	04/05
Intercity trains on time %	90.3%	91.0%	92.6%	91.1%	77.7%	72.4%

(Source: Railcorp 2004/05 Annual Report, Railcorp 2003/04 Annual Report)

Cityrail claims the new timetable has improved reliability by 20%. ***Yet passengers travelling to the Blue Mountains are continuing to experience significant service disruptions.***

Cityrail may claim an overall improvement to Intercity services. However when you look at on time running for Blue Mountains services in isolation, Cityrail's claims are questionable. Further, when disruption events occur, delays are major, i.e. more than 20 minutes, resulting in lost productivity, loss of pay, and inconvenience of being unable to make appointments. This is an important issue considering that nearly all Blue Mountains residents have to travel to Penrith and beyond to attend specialist medical appointments. Often, given long waiting lists for such services, missing an appointment due to a late train means that a patient will have to wait for up to two months for another appointment.

Poor on time performance continues despite introduction of new timetable as highlighted by:

Period	4/09/2005 to 27/09/2005	Week ending 25/11/2005	Week ending 10/03/2005
Blue Mountains trains on time %	77.3%	50%	60%

(Source: Based on passenger experience whilst travelling to and from Sydney for work each weekday during the peak; log has been kept recording times; and compared to 4 September 2005 timetable)

On time performance of Blue Mountains trains for November 2005 – **84%** verse 89% for entire Intercity Network¹.

Once every two weeks I expect to be more than 20 minutes late to my destination².

¹ Comparing Intercity on time performance per Cityrail submission with the record of on time performance of catching a Blue Mountains train to and from Sydney each weekday.

² Since 3 January 2006 I have experienced 7 incidences where the train has been late by more than 20 minutes.

On time running and reliability continues to be affected by technical problems connected 'V' sets and signal systems. In addition the system remains vulnerable to the flow on impact of 'minor events'³. Resulting disruptions tend to be significant, i.e. delays of between 20 and 40 minutes.

There appears to be systematic maintenance failures within Railcorp when you take into account:

- i) Rust problems resulted in removal of some 'v' set carriages;
- ii) 'V' sets experience technical difficulties on a regular occurrence;
- iii) XPT axle issue caused suspension of XPT services; and
- iv) Repeated signal failures throughout metro system.

The above highlight the inability to detect and rectify problems before they become significant and lead to service disruptions. This is an efficiency issue that Cityrail does not adequately address in its submission.

Passenger safety and comfort continues to be compromised because of the state of disrepair of the 'v' sets. There continues to be very high incidence of broken doors and seats, leaking toilets, faulty air conditioning systems and leaking carriages. However the Cityrail submission does not satisfactorily address the issue of 'V' set maintenance so how can it justify increasing fares?

Further, as Cityrail admits in its own submission, it 'can do better' when it comes to communicating to passengers during a disruption event. This is an example of operational inefficiency, which Cityrail continues to fail to rectify. Again it's the passengers who are inconvenienced. We all have experienced situations where the train has stopped but no one knows why or what's happening.

b) Cleanliness:

- ❑ The quality of cleaning by crews based at Sydney Terminal is inconsistent and intercity trains are more often than not littered with rubbish at the commencement of a journey. I can document numerous instances where unsupervised mobile cleaning crews have not cleaned trains standing at Sydney Terminal between journeys.
- ❑ There is more to cleaning than just picking up rubbish, what about vacuuming, cleaning windows, cleaning toilets, mopping floors, etc.? Standards should be more clearly documented.
- ❑ The passageway between Sydney Terminal and Central suburban platforms smells of urine – a morning occurrence; a great image for tourists visiting Sydney.
- ❑ Toilets on 'v' sets – when are they cleaned? They often leak into vestibule/carpeted areas of carriage.

³ 'Minor events' are small scale incidents of a minor nature, examples include lengthy delays due to crew being late for changeover, problems with maintenance rosters at Flemington Car Sheds, cleaning issues

2. Reduction in service standards:

Cityrail's new timetable has meant:

- a) Reduced services to the Blue Mountains⁴.
- b) Journey times have increased by up to 23 minutes per round trip⁵. Cityrail compares itself to the New York Long Island Railroad, yet Cityrail's Blue Mountains express takes up to **60 minutes longer to travel the same distance**⁶.
- c) Reduced capacity and increased overcrowding, especially on off peak services. Blue Mountains passengers are often forced to stand between Sydney and Emu Plains. Meanwhile Cityrail fails to enforce the 'pick up' only rule, disadvantaging Blue Mountains passengers getting on outbound services at Strathfield and Parramatta. Overcrowding has increased under the new timetable thereby justifying the claim by many passengers that service standards have gone backwards.

Standing between Sydney and Penrith is more common since the introduction of the new timetable – commuters who once caught the train now drive to work.

- d) Cityrail operates suburban Tangara trains on Springwood services, which do not have toilets or drinking water. When you take into account journey time of 1 hour 29 minutes from Town Hall to Springwood that's a long time to travel without such amenities, which poses problems for the elderly, the frail and children⁷.

Cost of Providing Services

Cityrail's submission does not address the real cost of public versus private transport in Sydney. Any application to increase fares can only be fairly judged when an accurate and clear understanding of the costs of each mode of transport can be calculated and compared. Considering recent reports on the economic impact of Sydney's high levels of traffic congestion and resulting environmental pollution and public health issues, combined with the lack of relevant data to compare subsidisation of road versus rail transport, any move to increase fares without a thorough understanding of these issues is to ignore Section 15 (a) and (f) of the *Independent Pricing and Regulatory Tribunal Act 1992*. Accordingly, in respect of these sections, the Tribunal should seek a more comprehensive analysis from the NSW Government and such analysis should be open to public scrutiny, before any fair judgement can be made on fare increases.

⁴ 5.09pm no longer stops at Medlow Bath and Blackheath whilst some services to Springwood have been removed altogether.

⁵ Based on comparison of May 2000 timetable versus September 2005 timetable for someone catching a train from Blackheath to Sydney

⁶ The Long Island Railroad 'Cannonball' is allotted 2 hours 42 minutes to travel 115 miles between Hunterspoint Avenue and Montauk.

⁷ 4.23pm weekday service between Town Hall and Springwood, refer Cityrail 4 September 2005 timetable for Blue Mountains.

Operational inefficiencies should be addressed as part of any review of fares. Cityrail cannot pass on higher costs through higher fares without making a contribution to control costs and improve efficiencies. Management must be prepared to offer rail users and the broader community a clear and achievable set of operational efficiency gains and service improvement targets before the Tribunal should consider any application for fare increases.

Whilst the Cityrail submission is big on justifying fare increases based on future network improvements there is little on how daily operating efficiency will be improved and costs managed.

Social Impact

a) Economic impact on the Blue Mountains

The Blue Mountains economy relies on tourism. ***Increasing off peak fares to Katoomba by 25.7%, when you consider that most tourists and recreational visitors travel off peak, could have a significant negative impact on tourist numbers and the Blue Mountains economy.*** Further, backpackers make up a significant portion of tourists visiting the Blue Mountains. An increase in off peak fares of the magnitude proposed by Cityrail will affect this segment of the tourism market hardest. Higher weekend fares combined with the high frequency of line shut downs⁸ will discourage people from visiting the Blue Mountains by train on weekends. As private car is the only other way to access the Blue Mountains, such a move will encourage more visitors to drive, which will lead to greater traffic congestion on the Great Western Highway during the weekend period. Considering that dual carriageway freeways, buses and other transport forms service competing tourist destinations, such as the Southern Highlands and Hunter Valley, moves to make it harder for visitors to access the Blue Mountains (through higher fares and more traffic congestion) will have a negative impact on tourist numbers and the local economy. House prices in the upper Blue Mountains will also be affected as weekender purchasers move to more accessible locations. The Cityrail submission does not adequately address these concerns.

b) In addition to potential economic impact to the Blue Mountains there are other social concerns.

Increasing off peak fares will impact unfairly upon the unemployed, those who work part time and the disadvantaged. While residents in outlying villages, such as Medlow Bath, Blackheath and Mt Victoria, who rely on off peak train travel to access services including medical services are unfairly bearing the burden of Cityrail's fare increases without any compensating increase in service frequency.

⁸ Refers to the complete shut down of the Blue Mountains railway line for maintenance work. This usually occurs during weekends. During a shut down trains are replaced with buses, which take longer, are less comfortable and less accessible for the elderly and people with disabilities.

Ecologically sustainable development - Environmental Impact

Sydney's over dependence on cars is having an adverse affect on our environment. There are real but unquantifiable costs in terms of pollution and traffic congestion. There are also flow-on health issues. Sydney has very high levels of childhood asthma. It is widely recognised that the cocktail of pollens and air pollution is a significant contributing factor. Encouraging car use by increasing fares whilst reducing services is economically and environmentally unsustainable.

The NSW Government must take a long-term view and look at ways to increase public transport use – raising fares and lowering service standards is not the answer.

Higher fares do not lead to more passengers; it leads to increased customer dissatisfaction and higher car use. Further, contrary to recent media speculation, off peak train travel is more price sensitive than peak train travel and therefore any fare increases will lead to further reductions in patronage during the off peak, a period when the system is already under utilised.

Are Cityrail's Arguments Supporting Fare Increases Reasonable?

The simple answer, when you look at Cityrail's outputs in terms of services to the Blue Mountains is NO.

The outcome of my review of current service reliability and asset quality (in terms of 'V' sets) shows that there are no clearly identifiable service improvements that would justify:

- a) Small increase in peak fares
- b) The substantial increase in off peak fares

In fact, when taking into account service standards since 2001/02, there has been a steady decrease in service reliability, coupled with longer journey times, reduced frequency and poorer quality of carriages.

Finally, Cityrail claims "customers attain high value for money compared with alternative transport modes".

However the analysis contained in paragraph 4.5.1 fails to take into account, when comparing automobile to train travel, the intrinsic value of convenience, comfort and personal space afforded to users of automobiles. A comparison of travel by automobile verse train, taking Blackheath as an example station, one would have to consider that using an automobile would provide considerably more convenience (taking into account the up to 2½ gap between train services), provide much more comfort (given the high chance that you have to stand between Parramatta and Emu Plains on afternoon outbound services) and offer much more personal space (i.e. luggage room, etc.).

Concluding Remarks

Unfortunately without proper transparency the public is unable to fairly judge the Cityrail proposal other than to look at the train service “as they use it”. Until the veil of ‘commercial in confidence’ is pulled back and the true extent of Cityrail’s justification for fare rises is open for public scrutiny, there can be no increase in train fares without an independently verifiable improvement in services.

The current review of Cityrail fares affords IPART an opportunity to set new standards and strive for better accountability and efficiency in terms of clearly identifiable service deliverables. It’s time to look behind Cityrail’s view of cost recovery and make an equitable judgement in terms of linking management performance to service standards to cost and thus to fare levels to ensure better value for rail users and taxpayers alike.