

Selwyn Lemos

29 March 2006

No fare increase for CityRail, please! It isn't justified.

*This personal submission is made by **Selwyn Lemos** to IPART in response to the advertisement dated 01/03/2006 entitled Determination of CityRail and TravelPass Fares in conjunction with RailCorp's Public Submission dated February 2006 (and made available online on 2 March 2006).*

The author resides in Stanmore, is a regular commuter on CityRail and has no affiliation with any particular interest group or organisation.

RailCorp's public submission argues that the proposed increase in CityRail fares are justified on the basis of several key factors:

- a. **Inflationary considerations** which assert that commuters should automatically be willing and able to pay more, based on a rising general CPI which Railcorp's cost base is claimed to have outrun.
- b. **Efficiency gains** related to a KPI measurement system now being implemented together with a comprehensive benchmarking programme which has yet to see any concrete or quantified outcomes to date. We have not been provided with any objective quantified information whatsoever to hold RailCorp accountable to - both at the present and in the future.
- c. **Improvements in service quality** including operational aspects such as safety, reliability, security, station and fleet upgrades, cleanliness and customer information, all of which cannot be translated into a **present** net gain for the individual paying commuter in tangible terms.

RailCorp's case has been made suitably in line with the 2003 Parry Report, which establishes the framework for pricing of public transport. Its submission aims to conform with the recommendations of this report which come with the following implications: (i) Determination based on a five-year price path, (ii) Limit fare increases up to the CPI index (subject to progress on efficiency gains) and (iii) Allow fare increases above CPI through improvements in service quality linked to special initiatives. We infer from the spirit of these recommendations that efficiency gains should be developed to offset, if not negate entirely, rising inflationary costs. This is consistent with the indexation at a rate lower than inflation of annual grants given out to other not-for-profit organisations by the NSW government. The report allows for justification of fare increases above the CPI through improvements in service quality. Yet there is little attempt in the entire submission to **demonstrate** or **quantify** what these efficiency gains are or how the various service quality improvement initiatives translate into real tangible benefits for the customer – whether in equivalent financial terms or otherwise. Instead we are presented with voluminous verbiage that alludes to a huge **promise** of a better service, accompanied by selective comparative statistics that do not necessarily illuminate the arguments nor address these specific terms of reference. As such, the submission remains **incoherent** and **unconvincing** as to why CityRail fares deserve to be increased at this point in time.

The various selective facts and figures provided to support the key arguments are interesting. We are made aware, for example, that "*rail is the most environmentally friendly of public transport and private car alternatives*". CityRail is also acknowledged as "*the dominant transport provider for travel to and from Sydney's major business districts*" but with rail only accounting for a mere "*5% of total travel trips in Sydney*". The submission asserts that "*CityRail customers attain high value for money compared with alternative transport modes*".

Yet instead of encouraging and managing a **more optimal usage of this under-exploited and highly eco-friendly transportation mode**, they are now effectively deterring greater usage with this fare increase, while concurrently hoping it will not alienate the average commuter. To counter this expected effect, we are told that studies show an inelastic response to fare changes (both on page 7 and elaborated later in Section 4.5.3 on page 42). As such, we are asked to believe that an increase like this would have little impact (a decrease of a mere 1.25%) on CityRail's

predominantly professional and white-collar workers travelling to and from their workplace in the CBD.

We know that peak capacity is a major issue on the current system. The off-peak discount provides an attractive incentive to redistribute travel, especially for non-essential travel. The proposed reduction in discount rate from 39% to 25% represents an **effective average increase of 25.6%** for off-peak travel. But for some it would be an increase of up to 38% (see my later Section 4.2 for further elaboration). This is a significant jump, for which we are simply asked to accept on the basis that the off-peak fare discount “*needs to be reviewed to assist in improving cost recovery*”. Section 4.5.3 on page 42 noticeably fails to adequately address customer sensitivity to the proposed fare increase for off-peak travel. Is the price inelasticity that RailCorp’s studies show for an increase in peak time fare also applicable to non-peak travel? We are not told. And what would the expected effect of this average 25.6% fare increase (or max 38%) for off-peak travel be on overall patronage, capacity and revenue? We cannot really tell, nor are we expected to be interested in this. We can only hope for the best!

We are told (on page 4) that since the last fare submission in 2003, RailCorp’s costs have expanded beyond the general CPI inflation rate while CityRail’s fares have remained fixed. As such, farebox revenues have not correspondingly increased with inflation. Section 1.4.1 (on page 12) states that population has grown between 0.8% and 1.4% in the larger Sydney statistical district, and between 1.4% and 2.2% in Inner Sydney in the last five years. Should a corresponding growth in travel not have provided an increase in revenues to offset the rising costs? No. Unfortunately, patronage has been stagnant over the last 3 years, a situation that is attributed to a significant decline in service levels, stymieing what should have been natural growth in patronage and revenue. One would expect CityRail to be trying hard to restore service quality to not just the pre-2003 levels but to surpass them in order to win back these lost passengers. Yet, at a time when the service quality levels and corresponding satisfaction levels are still unstable, RailCorp has the **audacity** to increase both peak and off-peak fares, and will no doubt alienate more of its potential customers. This defies conventional logic.

As a paying commuter on CityRail myself, I acknowledge that price alone is not the only determinant in my choice to take the train rather than to drive to work. But with exorbitant parking charges in the city, relatively high taxi fares and rising petrol prices, **cost is a major consideration** in that decision. And as a recent immigrant to Australia who happens to live and work close to train stations, I am keen to experience greater social intercourse through this public transportation mode, as well as to play my responsible part in alleviating congestion and pollution on the city’s present road network. Sadly, these **wider social and environmental considerations** do not figure in the economics of CityRail’s fare-pricing strategy. Instead, they are alluded to and then totally ignored in the final equation for fare pricing.

The RailCorp submission admittedly presents an overwhelming **promise** of a better service without actually demonstrating how the various initiatives (only recently been embarked upon) have benefited or will positively benefit the paying commuter on CityRail. If one looks more closely, most of these initiatives will only fully be delivered and effected between 2007 and 2010. And yes, we accept that on-time running (OTR) has improved since 2003 but we also know that this has been achieved following implementation of the new timetable in September 2005, and largely at the expense of having longer journeys and a reduced frequency of services (a loss of at least 3500 train services a week). So it would be reasonable to say that service quality delivery to the customer remains significantly **diminished** since 2003. But this overall **regression** is not objectively acknowledged in RailCorp’s submission.

We are also told that the City Rail system “*in comparison to New York, London, Paris and Berlin*” is a “*very large suburban railway system for a city with a low population density*”. As such, operating procedures and costs for long range network are inappropriately and ineffectively used to run what is characteristically a suburban network. What the submission glaringly fails to mention is that this very complex nature of this irregular service network means that **expectations for reliability should be even higher**, something I will elaborate upon in my later Section 2.3 on Service Reliability. CityRail’s customer profile information (provided in Section 1.3 on page 10) establishes that a clear majority of all journeys (work and businessrelated or otherwise) are time-critical, making Service Reliability an extremely important

criterion. We note that a majority of commuters (72% peak and 56% off-peak) are regular customers who use the system at least four days or more in a typical week.

So here I am, pending the actual delivery of several major improvement schemes over the next 5 years, still faced with a train system which is highly deficient by international standards and which I feel I am paying too much for as it is. This **general dissatisfaction is one that is shared by a majority** of my fellow commuters. To demonstrate that mine is not an isolated or lone view, this personal submission is accompanied by a petition of 50 signatures solicited incidentally over a period of 2 days from various people I have met on the train platforms, colleagues and acquaintances who were all united and ready to endorse their (a) dissatisfaction with the current level of service and (b) objection to the implementation of a fare increase come 1 July 2006. Although this paltry number of signatures cannot in any way be representative of all CityRail commuters, this simple exercise erased my own doubts I may have had as to whether it was indeed a clear majority of commuters who continue to be unsatisfied and who agree that this proposed fare increase is both untimely and unwarranted.

Yes, there was the occasional response from a few saying that the current system was good or that they were willing to pay more for an unprofitable, subsidised service. But these were definitely the aberration, heavily biased by a steadfast loyalty to CityRail or a strong social consciousness rather than a more impartial response to their direct train commuting experience. I am confident that an objective customer satisfaction survey will corroborate this finding.

I readily acknowledge that the service offered by CityRail is a subsidised one for which commuters should not expect easy handouts from the government or further unfair subsidy from non train-commuting taxpayers. And I also believe that the average commuter is not unreasonable nor is he or she averse to paying more for a good train service. However, being faced with (a) continued deficient service, (b) little choice in terms of transferring to other forms of transport and (c) a mere promise of a better one to come, the introduction of a fare increase at this juncture can only serve to make us feel like we are being held to ransom and forced to accept these unsatisfactory performance levels beyond our control. Until there is greater **accountability** from the people developing, managing and operating the system, with a real tangible impact felt from improvement initiatives that are just being put into place and these are proven to be sustainable, such a fare increase cannot be justified. Surely, the case for deferring a fare increase until the real benefits of these initiatives and good sustainable performance is achieved must be seen as the only viable one. As they say, **show us the goods first and then we will pay for them!**

To use an **analogy with movie-viewing**, would it be fair to me if the cinema I regularly go to were to impose a ticket-price increase when it continues to offer me a situation where (a) the air-conditioning breaks down every now and then, (b) tickets are constantly oversold and we have people sitting on the aisles, (c) shows hardly ever start on time as advertised and (d) a majority of movie titles screened are outdated ones? So what if the cinema chain promises to get these shortcomings fixed in due course (with no specific closure dates mentioned), a customer services manager has been recently employed (with little perceived impact on customer's experience) and there are big plans to build more cineplexes in other neighbourhoods (which these ticket prices are also admittedly aimed at funding)? My direct personal cinema experience is what I would reasonably use to decide if I still wanted to patronise this cinema at the new increased prices. If I am unsatisfied, then the good thing with cinema patronage is that I at least have some semblance of choice in deciding which other alternative cinema or chain I could turn to. There are no such options to consider in rail travel.

I therefore implore the IPART to reject this submission from RailCorp. We train commuters are sick and tired of simply grumbling about the situation, feeling helpless and continuing to support such inefficiencies. We continue to bear with these shortcomings while RailCorp brazenly tries to make us believe that CityRail service has (or will eventually be) improved to an acceptable level without comprehensively showing us what the net current tangible benefits are. Even with a change of NSW Government, which may be the ultimate choice the media often instigates CityRail commuters to act on, we still cannot guarantee things will improve. The IPART can help commuters by recognising their plight and sending a clear signal to whichever government

or management running CityRail that they have an obligation to address the **best interests of all commuters and taxpayers**.

Let me substantiate my personal stand with further elaborations and counter arguments.

1. Personal Background

I have lived in Sydney and in Stanmore for almost 3 years, having previously resided in Singapore and London. I am therefore very well acquainted with the commuter train systems of these two other cities. In the course of my travels around the world, I have also had the opportunity to use the commuter train systems of other major cities, including those of Hong Kong, Tokyo, Paris, Budapest, Prague, Washington DC, San Francisco and New York. Sad to say, the CityRail service compares unfavourably with all these systems.

I constantly ask my friends who have lived much longer in Sydney why they tolerate the despicable CityRail system, wondering if they are only accepting of it because they either do not know what they should (and could) be getting or have simply given up hope altogether. I am often told that the CityRail system was acceptable and ran reasonably well up to at least five years ago and especially so during the Olympic Games held in Sydney in 2000. Yet, in recent years the system has failed to modernise to keep pace with both the population and the economic growth that has blessed the city. So we cannot accept that this current predicament of poor service levels is a simple result of a complex legacy that we have been saddled with and unable to transcend.

2. Current Performance

2.1 Customer Satisfaction

Section 2.1 of the submission provides a summary of the results of the second annual customer survey conducted by the ITSRR (Independent Transport Safety and Reliability Regulator). Conducted in June and July 2005 and released in September 2005 (prior to the implementation of the new timetable on 4 September), the survey showed that respondents were generally happy with **non-core operational aspects** such as website information, wayfinding signage, personal safety and litter removal. All the core operational aspects were left wanting – including punctuality of trains, delays and cancellation, overcrowding in trains at peak times, frequency of trains and clarity of announcements on trains. We are told that on-time running (OTR) has significantly improved following the implementation of the new timetable and that a further mini survey was being conducted to determine updated customer response with respect to this new timetable and will be made available in early 2006. While RailCorp takes pride revealing a marked improvement in OTR-related service reliability with its own statistics (in Section 2.4 on page 20), no other objective data is offered to suggest any improvement in other deficient core operating areas. Were there no performance or customer satisfaction measures (i.e. beyond ambiguous survey responses) it could quote to show favourable advances in aspects such as (a) overcrowding, (b) physical discomfort on trains and platforms and (c) the inability to board a crowded train at peak times? This would surely debunk any opposition to these proposed fare increases once and for all.

Then I was pleased to find out that the results of the **mini-survey conducted by ITSRR** were made available on 1 March 2006, shortly after the publication of RailCorp's submission to IPART. While the results are encouraging in showing marked improvement in satisfaction levels amongst commuters, we note that a significant percentage remain dissatisfied, quoting fewer services (26%), slower trips (15%), overcrowding (16%) and unreliability (12%) as aspects that continue to bother them. Of interest too, is the fact that more than half of the respondents could not readily identify any specific aspect of service that they liked or had noticed any change in. I also read that representational validity and the quality of this survey (involving telephone responses of a random sample of 1006 people who had used the train at least once after the launch of the revised timetable) are questionable but we have little means to assess this for ourselves.

Customer satisfaction goes well beyond improved on-time running (OTR) and train frequency and the findings from the September 2005 ITSRR survey appropriately

reflect this. The submission also claims in Section 2.1 that “*the number of complaints reflects the satisfaction of our customers*”. While there is likely to be a correlation between the two, a decrease in number of complaints cannot be literally taken to mean a corresponding increase in satisfaction. We would expect the number of complaints to decrease naturally over time, even through sustained poor levels of service, as commuters eventually become accustomed to these poor service levels or simply tire of making further complaints towards a situation they do not see any perceivable change in following their complaints. Absolute numbers of complaints do not mean much if these statistics are not accompanied with an assessment of complainants’ views after resolution or action has been taken following their complaints. I believe there is no such attempt to solicit or record post-action responses from complainants.

The two charts provided in Section 2.1 (on page 16) show a favourable return to pre-2003 rates for overall complaints and the correlation between OTR-related complaints and late-running rates for peak trains. But I fail to see how a chart that shows a sudden marked deterioration over a period of 24 months and then suddenly recovers in the last 4 months is meant to be convincing of a new improving and sustainable state. Are commuters deliberately being confused by inappropriate information and statistics that have been skewed, massaged or edited in a way to show a favourable or at least a tolerable state?

2.2 Comfort

I had imagined there was nothing worse than having to be trapped in a stationary old and non air-conditioned train in one of CityRail’s tunnels during the summer. That was until I recently had the great misfortune of travelling on one of the pre-*Tangara* carriages that was meant to be air-conditioned but whose cooling system had broken down. This was at 8.30 am on a relatively cool morning. The permanently sealed windows were covered in condensate generated from human heat within the carriage. It felt like I was in a sauna along with a hundred other very unhappy people, frantically fanning themselves away. In more reasonable circumstances, this train should not have been allowed to run on the track or if so, some form of price differentiation or discount should have been offered to compensate for enduring such extreme physical suffering.

I have on occasion travelled on trains where certain carriages were inaccessible due to malfunctioning doors. This inevitably results in adjacent carriages being over crowded and passengers unable to board because they could not run to other operating carriages fast enough. Just recently, on my way from Central to Stanmore, the guard again apologised for undue congestion on adjacent carriages when one car had to be closed off because of a broken window.

Does CityRail not have a proper operating policy to prevent such easily avoidable inconveniences to commuters from recurring? Or do we face such a dire shortage of fully serviceable train carriages that this really cannot be avoided?

2.3 Service Reliability

The targets of 99% of services to run and 92% of trains to arrive at their terminus within 5 minutes of their scheduled arrival time quoted by CityRail for 2005/2006 (in Section 2.2 on page 17) would be admirable only if they can actually be achieved and sustained. However, what would be more convincing would be a restoration of the previous frequency of services together with achieving this OTR target. So we await **next timetable upgrade** and subsequent statistics to show this. My own current experience (making at least 10 composite trips involving a transfer each week) does not seem to tally with these statistics. On average, my morning and evening trains continue to arrive more than 5 minutes late at least twice a week (more than 8%). I notice the station announcements usually say “the next city-bound train is running 4 minutes late”. However, for anything exceeding 5 minutes the time is then conveniently left out and we revert to standard announcements, i.e. “the next train to arrive on Platform No. 2 goes to the City Circle”. It is apparent that a formal policy has been set to subtly **re-align commuters’ perceptions** towards one of tolerance and acceptance,

albeit **achieved through selective information release**. I cannot help but wonder if the statistics are not similarly manipulated to ensure OTR performance consistently exceeds the above-92% target, as reported that for the period between October 2005 and January 2006.

Section 1.7 on page 14 states, *“In comparison to New York, London, Paris and Berlin, CityRail is a very large suburban railway system for a city with a low population density”*. While we cannot dispute this statement, we should nevertheless accept that by this very nature of CityRail’s complex sprawling network not allowing train services to run at regular intervals such as those in the above-mentioned cities, the **expectations on reliability and punctuality are all the more critical** here than in those cities. My personal experience with the London Tube, New York City Transit Subway and Singapore MRT systems is that punctuality was less of an issue as you could safely expect the next train to come along within minutes of missing the last one. With CityRail, however, a cancellation or significantly delayed arrival of a train service could compound into as much as 45 minutes or an hour’s wait (especially if your journey includes a transfer at Central Station during off peak time). When a train is delayed or cancelled, I find I sometimes cannot get onto the next one which is overcrowded. This wreaks havoc on my travel schedule and the overall delay to my journey is much more than that reflected in CityRail’s OTR statistics. Rather than to acknowledge that the expectations for on-time and frequency performance on the CityRail system should be justifiably more stringent than those in the above-named cities, the underlying focus of the RailCorp submission seems to try and convince commuters to expect (and accept) a poorer service because of this complexity.

The Service Reliability information provided in Section 2.4 on page 20 certainly fails to address this valid aspect of differing expectations when comparing CityRail favourably with the UK suburban systems (which strangely also appears to exclude the main London Underground System).

2.4 Stations & Passengers with Special Needs

Firstly, I do recognise that this particular issue is more appropriately taken up with the NSW Government rather than CityRail, as it manages the Accessible Transport Action Plan which the various transport agencies are guided by. Having seen the plan (last updated in 2005), I am surprised by the extremely generous compliance timeframes set forth for both the rail infrastructure and rolling stock, established (with effect from 2002) as follows:

Aspect of service	5 yrs	10 yrs	15 yrs	20 yrs	30 yrs
Infrastructure*	25%	55%	90%	100%	
Rail Rolling Stock	25%	55%	90%	90%	100%

* Vending machines, gateways, surfaces, handrails & grab rails must be 100% compliant after 10 years

I use the North Sydney station everyday and am amazed at its abject deficiency in terms of disabled access, often watching people in crutches and women with children in strollers struggle up the narrow staircases at peak times. As much as I am now assured to learn that there are indeed plans to upgrade this particular station, I am shocked that such an upgrade will only be completed by 2010. Are we truly endorsing the fact that people with physical disabilities are not welcomed at certain CityRail stations until 2022, nor are they entitled to travel on all its trains until 2032?

Even in Singapore (a less developed and less wealthy country than Australia), where their MRT system was built and put into operation without barrier-free access in the 1980’s, they have since had the good sense and social resolve to retrofit each and every one of their stations with handicap lifts so that barrier-free access is available to **all** commuters, including those with special needs. It was not easy or cheap to implement but we know that where there is a will, there surely is a way!

One must wonder if there is any real commitment to customer service (especially to its

passengers with special needs) if RailCorp merely complies with the generous timeframes set by the NSW Accessible Transport Action Plan. I think RailCorp could do better and surpass these timeframes if there was genuine commitment to **all** its passengers. Having moved into the 21st century, I find it astounding that a basic consideration such as barrier-free access should continue to lag so far behind in CityRail's operational framework.

2.5 Customer Information

The various projects that are aimed at improving access to operational information are welcomed. However, something that has not quite adequately been addressed is the lack of inter-platform service information in stations with multiple platforms - such as Central, Town Hall and Wynyard. Presently the multiple TV screen display that shows forthcoming arrivals of train services on the various platforms is only available at the main entrances, i.e. outside the ticket control gates. So once inside and on the platforms, one cannot tell what is happening on the other platforms without actually going to each one of them to look at their respective Station Passenger Information (SPI) screens. This is particularly annoying when one is doing a transfer and one has inadequate access to any information regarding the frequent re-assignment of platforms.

At Central station, where I opt to transfer between the Inner West and North Shore/Northern Lines everyday, it is so common to see many puzzled passengers staring at the SPI's then desperately try to obtain verbal information from the train guard standby room located on the platform. Invariably, the guards would oblige with some useful information - either redirecting them to the new assigned platform or clarifying a delay situation which the SPI's and announcements somehow fail to adequately cover. This rather ad hoc arrangement is not only unacceptable but extremely provincial for an established and supposedly modern urban train service in a city like Sydney. I would appreciate it more if RailCorp would at least recognise and attempt to improve such glaring shortcomings than to gloat about their superficially-enhancing upgrades.

And despite all these initiatives quoted by RailCorp, we continue to read from media reports and also see for ourselves that commuters are still deprived of adequate information and announcements during unexpected situations such as that experienced recently on 20 March 2006 when four RailCorp trains broke down in four hours on the Eastern Suburbs and Illawarra line causing disarray and confusion amongst regular passengers. Publishing a calendar of planned weekend track closures and installing new LCD screens at CBD stations is the easy part. An increase in prerecorded messages nagging passengers (to stand aside to allow boarding, not to run at closing doors, etc) cannot be very effective. And constantly thanking customers for their cooperation, when we that cooperation is really a two-way process not to be assumed, is nothing less than annoying.

Has CityRail got its act together to devise a comprehensive system to effectively deal with the efficient dissemination of information during frequent breakdowns and other unplanned occurrences? I think not!

2.6 Fare Evasion

There was surprisingly no mention of this aspect of fare revenues in the submission, despite much media coverage about this major source of revenue under-collection and its huge potential for better cost recovery. During CityRail's recent fare evasion enforcement blitz (a concentrated exercise aimed at curbing this serious problem that was well covered by the media circa January 2006), numerous commuters were suddenly caught out and fined on the spot. But this high level of enforcement was not sustained for long, apparently drawing much resistance and unhappiness amongst commuters and station staff alike.

An old media report I found in the Sydney Morning Herald (dated 3 Apr 2004) quotes a CityRail spokeswoman, Jane Lavender, as saying that the rate of fare evasion on the

network had fallen. She said that of the \$19 million increase in ticket revenue the previous year, \$9 million was attributed to a decrease in fare evasion, a situation acknowledged as the “fruit of the work of transit officers with fines ranging from \$200 to \$500”.

With virtually nothing about this mentioned in the submission, is RailCorp effectively saying that **fare evasion has been eradicated** and no longer has a significant impact on farebox revenues? I cannot believe this to be the case as I constantly see commuters strolling through open gates at North Sydney station (especially at morning peak) without bothering to show their valid tickets nor any attempt by station officers to check for ticket validity. So by default of deficient station design trust remains a big factor and the available ticket control gates have been rendered ineffective.

The CityRail website clearly states their basic policy whereby travelling without a valid ticket is totally unacceptable and subject to hefty fines of between \$200 and \$550. Exception may only be granted when the ticket vending machines at the station of origin were inaccessible or out of order (a situation easily verified, so it claims). However, as a commuter myself who regularly buys weekly tickets I assure it is not very difficult to find myself in a situation where my ticket has expired without me not realising it, especially when I board at a station where there are no gates to alert me to this fact. One simply has to refer to the Fare Infringement Notices of Mrs Mary Gallard and Ms Yenta Willis (NSW Legislative Assembly Hansard dated 15 September 2005 & 20 October 2005 respectively) to understand what we mean by innocent and loyal commuters constantly being held caught out and upheld as cheats when there was absolutely no intention of them to defraud.

CityRail has in effect adopted a **zero-tolerance policy** on fare evasion without correspondingly operating a zero-tolerance ticketing and fare management system for its network. How convenient and unfair is that? I had hoped that the much-anticipated introduction of an integrated ticketing system might address this but somehow I don't believe there is any real intention to address this major shortcoming in fare and ticketing management when the new system is eventually implemented. I presume that an upgrade and conversion to an all-gated system would have been considered at some point in CityRail's past. Has this been revisited and are there any cost-benefit studies done recently to convince us that the investment to upgrade to a fully gated system will not result in revenue recovery to adequately offset the capital and continued policing costs?

If these proposed fare increases are still going to be imposed on train commuters in July 2006, surely CityRail is obliged to explain in detail just what impact fare evasion currently has on farebox revenue and the cost-effectiveness (in quantified terms) of the measures it has taken to minimise it.

2.7 Key Performance Indicators

We are told that RailCorp has implemented a KPI measurement process to drive efficiency improvements but we are not privy to the details of these KPI measures to track performance in aspects such as financial management, customer service, operations, asset condition and human resource management. While we could trust that sensible and useful KPI's have been developed in consultation with IPART, what good is it to mention this without citing any actual examples to demonstrate how they (a) translate into more accountability and (b) provide tangible benefits to the commuter at this point to justify this fare increase? Without looking at specific commitments, these KPI's could be highly negotiable, flexible and as such ineffective for all we know. If they are still being developed and not fully enforceable then they are inconsequential to us in the particular fare increase exercise.

3. Initiatives to Further Improve Performance

3.1 Integrated Ticketing System

We are told in (Section 3.1 on page 28) that there are plans to introduce a smartcard ticketing system which will operate across the rail network, integrated with other modes

of transport and operators. However, there is no mention of an implementation timeframe. RailCorp's Annual Report for 2004/2005 gives a little more insight, mentioning the on-going testing of a Tcard amongst 250,000 school students but also without an indication of any implementation schedule. However, in the NSW Government's Metropolitan Strategy released in December 2005, plans to introduce the Tcard integrated ticketing for all public transport by 2007 were declared. In researching for this submission, I was thrilled to read that travellers on London's Tube were currently able to enjoy the benefits of the Oyster card, an integrated smartcard system, which is applicable across other public transport modes such as the buses, Docklands light rail and tram systems. Having last been in London in 1998, I am heartened to see that this great city and metropolis continues to keep abreast of the leading pack by embracing this modern technology and a progressive trend in global public transportation. Legacy issues and costs, which would be more significant than in Sydney, were apparently not an excuse to deny timely implementation of this smartcard system.

Perth has its SmartRider (implemented in 2005) and Melbourne's Metlink (which jointly operates the Yarra Trams and Connex Trains) has announced that its smartcard will be rolled out in 2007. It may seem surprising that Sydney would be left behind but this is not really so. The then NSW Minister for Transport, Carl Scully, announced in February 2003 that the greater Sydney region was to receive a smart card system encompassing its entire public transport network. A 10-year deal worth \$320 million had been struck with Integrated Transit Solutions (ITS) – a joint venture between smart card manufacturer ERG and Motorola – for comprehensive system design, development and testing to start then and was expected to finish by the second half of 2004. An old news report I found by ZDNet Australia explained that the original implementation by 2002 had been delayed by court action by US-based smartcard company Cubic, the company which previously ran the NSW ticketing system. With the court action resolved in ITS's favour in July 2002, most of Sydney's transport systems could be converted to the new smartcard ticketing system by 2005 and was to have been fully operational by 2006. It was also reported that the government expected to see savings from the new schemes as it relieved the then State Rail Authority and the State Transit Authority from upgrading their own ticketing systems – a cost they had already factored into their capital investment plans – and the fact that the system would be cheaper to run and was expected to reduce fare evasion.

Despite seeing devices being installed at strategic entrance and exit locations at my station at Stanmore sometime in 2004 (which I had assumed to be related to this integrated ticketing system), nothing has come of this exercise. These new devices remain wrapped in protective duct tape for almost 2 years now. And I continue to wonder how they would eventually help to reduce fare evasion, especially if they do not appear to point towards a more effective fully gated system.

Obviously, the commitment from the previous Transport Minister did not hold, having been subjected to some unforeseen setbacks, and is apparently to be superseded by the more recent commitment to a **deferred launch in 2007**. Current information on the Tcard website (the operators of the proposed smartcard system in Sydney) nevertheless indicates that the Tcard is scheduled to be expanded to trains from 2006. Yet there is no firm commitment (read confidence?) from RailCorp to confirm any specific target launch date.

So in the meantime, and with much anticipation, we continue to await the eventual roll out of the system on CityRail as well as the other transport modes. We would expect to see similar **pricing benefits to be offered for cross-modal travel** as is the case in other prominent cities that have adopted such an integrated ticketing system. But for now, **commuters can only remain in great hope.**

3.2 The Clearways Project

This massive programme, only to be completed by 2010 at the cost of \$1.5 billion and a precursor to the subsequent Sectorisation Program, is expected to create five mainly independent lines to deliver more reliable, frequent services and reduce congestion

and delays. The programme aims to overcome overcrowding on the system, “unlocking capacity” and will cater **for future growth at a minimum of 1% per annum** which is apparently compatible with longer term rail plans.

I am somewhat surprised that such a huge and costly undertaking could have been approved with such a low rate of return on investment for the overall CityRail system. With population growth reported by RailCorp (in Section 1.4.1 on page 12) to have exceeded 1% per annum in the last 5 years, and a quantum leap to be made from the current situation, there should be doubts if this project can be relied upon so heavily to overcome the fundamental capacity shortcomings.

Would this not lead us to believe that the subliminal intention of RailCorp and a fare increase such as this proposed one is really aimed at **regulating** (i.e. restricting) usage to a level that the system will be more comfortably able to cope with – both in the shorter and longer term?

3.3 Improving Customer Information

CityRail claims, in Section 3.7, to be “*taking the necessary steps to deliver improved passenger information in the future*”. A list of benefits to be achieved in the short term is provided. Yet there are no commitments to any specific timeframes to fully implement any of these “planned” projects. As well-meaning as these plans are, we cannot help feeling that the proposed fare increases are being justified by benefits we may never see for some time yet.

As for the few projects that have already been put in motion, I am genuinely glad to see them. In particular, I was pleased to see the old monitor screens on platforms (I believe they are referred to by CityRail as **SPI's** or **station passenger information systems**) being replaced with brand new ones. This was first noticed at Circular Quay station then followed by other inner-city stations such as North Sydney and Central. Then I looked more closely and was astonished to realise that the face of the flashy new flat screen is actually smaller than the old cathode-ray one that it replaces. Although a clever re-orientation to a vertical format means we have the advantage of seeing more station names scrolling at any time, the text font sizes have in fact diminished as a result of the overall reduction in screen size. Without an increase in the number of such screens on the platforms, we effectively have to move closer to these new screens in order to match the original legibility of the text information presented to us. I know this for sure as I have seen a new NEC screen temporarily placed within an old TV screen housing at Central Station and there was a clear gap all around this new screen. One must question the need to use more expensive flat screens when the reduction in size of the overall device is of little practical benefit to the commuter, especially if the actual content has been correspondingly diminished. So after all that money spent, we are really worse off than before in terms of the quality of customer information provided to commuters.

If this prime example of **service level regression** is any indication of the quality of the decision-making for system upgrades that are currently being implemented across CityRail, then are we not justified in questioning the optimising of expenditure and its real impact on the final user? **Where does accountability lie for such capital expenditure**, which both the taxpayer **and** the paying passenger are effectively footing?

3.4 Fleet improvement

The report in the Executive Summary regarding the Millennium Train project being completed in June 2005, stating that “*all 141 cars are now in service*”, is somewhat **misleading**. We know from various media reports, as well as the Auditor-General's 2003 report on this particular project, that the planned third stage of the project was eventually not implemented. As such, the anticipated overall purchase of 200 cars to effectively provide a net increase of 145 cars to CityRail's suburban fleet (and to have allowed 56 of the oldest cars, the Tullochs, to be retired) was not fully realised. The report confirms blow outs to contract (capital) costs (to the extent of a 24% increase)

and overall project costs (amounting to a 17% increase) as well as late delivery and the abandonment of the last stage.

What assurances do we have that the upcoming Public Private Partnership (PPP) Fleet Replacement Project (mentioned in Section 3.5 on page 31) – to replace 498 non airconditioned carriages with new air-conditioned ones – will not be similarly mismanaged in terms of car delivery cost & schedules and successful introduction into the network?

RailCorp's submission confidently reports that the new carriages "*will be rolled out from 2008 with a forecast completion date of 2010*" yet we know that none of these contracts have actually been awarded to date and may likely be delayed if history is a valid gauge of things to come. We can only anticipate another hasty roll out and the recommendations from the Attorney-General's report on the Millennium Train project to be disregarded in the process.

3.5 Expanding the Network

RailCorp mentions a few projects that aim to expand the current CityRail network, in line with the recently launched NSW Government's Metropolitan Strategy. It also highlights certain aspects of the strategy which aim to provide benefits. However, these are all expressed as vague "motherhood statements", with a universal appeal that no one could possibly object to. But that is the nature of a state government master plan which we cannot fault RailCorp in particular for. Apart from the one commitment to introduce the Tcard integrated ticketing by 2007, there are no firm targets for any of these generic improvements - such as enhanced accessibility to stations, improving economic competitiveness, fairness in transport equity and access and the improved governance of transport systems.

As for the specific railway network expansion projects referred to in RailCorp's submission, they remain out of reach for now. The Chatswood to Epping railway line is under construction and will (but we won't be holding our breath would we?) finish in 2008. The North West-CBD-South West Rail Link sounds promising but is not expected to be completed before 2010. A new Harbour Rail Link may only come about by 2017.

A statement in the detailed version of the Metropolitan Strategy for Transport aptly qualifies that the final decision on timing of these planned projects will be subject to continuing detailed planning, financial and economic studies. RailCorp conveniently fails to mention this in its submission. So these projects may in effect never see the light of day. And if they do eventually make it to the drawing board and then on to completion, will they not add to the complexity of operations that RailCorp is already struggling to manage and untangle? We only need to look at the "success" of CityRail's new Airport Extension Line to wonder if they will be rolled out and managed in a way that genuinely serves commuters' needs as well as tax-payers' interests.

3.6 Safety Initiatives

We are told (in Section 3.9 on page 33) that "*RailCorp continues to invest significant resources to improve our passengers' safety*". While this is commendable and supported with a list of 6 major initiatives already implemented in order to comply to with 60 of the 88 recommendations of the Waterfall Inquiry, we are left to wonder if the outstanding 28 recommendations will ever be addressed. As usual, we are presented with what can only be perceived as **a culture lacking in closure and completeness** in all of RailCorp's undertakings.

3.7 Just Culture

RailCorp's attempt to improve staff culture to better align their actions with stakeholders' objectives (stated in Section 3.10 on page 34) is admirable. One, however, cannot help but wonder why this basic and sensible approach to running a public rail service has only recently been recognised. It is notably still a concept that RailCorp has committed to implementing as a new project and we obviously need to wait to see any favourable outcomes of this very late but nevertheless welcomed initiative.

It is evident from the various customer policies, such as the fare evasion one and this proposal to readily transfer increased costs onto the commuter, that RailCorp expects a certain level of responsibility and accountability. There are clear penalties to be paid for any transgressions, intended or otherwise. Yet, there is no corresponding humane view of this from RailCorp, nor are there any corresponding penalties imposed on them for any failure to deliver to expected service levels. I constantly read about and hear of people who are late for or end up missing concert performances, business meetings and even important job interviews. Should RailCorp not be held accountable for these missed opportunity costs? At least if CityRail services are consistently late, we can try to plan and adjust our schedules around it appropriately. The sad truth is **we continue to be unable to rely on CityRail.**

Could we not develop a fair mechanism whereby RailCorp is held accountable to minimum service quality standards, for which they could be penalised with **individual fare discounts or refunds** if these are failed to be met? And at a wider organisational level, should we not expect a **fare decrease regime** to be effected if overall service levels fall short of promised and agreed standards? This, in my view, would truly be working towards a genuinely "just culture".

4. Proposed Fare Adjustments

4.1 Average vs. actual fare increases

We know that the proposed increase rate of 2.9% for peak fare is an **average** one. According to the detailed list of proposed fares made available on the IPART website (on 3 March 2006), we can see that the rate of increase actually ranges **between 1.3% and 9.1%** for Adult single fares and **between 1.0% and 5.6%** for weekly rail fares. So we see clearly the case of inner city and short-distance commuters having to bear the brunt of the increases, a situation perhaps justified if they are indeed privy to a higher frequency of services and better quality services at inner-city stations. However, we know they are also subjected to the same reduction of services with since implementation of the new timetable, face severe overcrowding (with a reduced likelihood of getting a seat), etc. so this argument remains questionable.

If the comparison with minimum fares on the London Tube that the Transport Minister, John Watkins, was reported to have quoted (i.e. \$7.11 or _3) is anything to go by, then we should be considering both extreme ends of the range and **not just the average which is not really what the individual commuter will be faced with.** An **effective 9% increase for the short distance journey** cannot be justified against the much lower CPI rate can it? This surely does not conform to the pricing recommendations set by the Parry Report. Are we in effect saying that inner-city commuters enjoy wage increases above the CPI rate or are they so rich that they are not subjected to the same inflationary rates as their suburban or regional counterparts?

4.2 Off-peak Fare Changes

The particular wording of the proposed increases in off-peak fares is curiously couched in a way so as to mislead and play down the actual impact of the increase. If the intention was to give it an impression that it would only be a 14% increase (i.e. 39 minus 25) then it has succeeded to some degree as seen in the erroneous reported by the MX paper (on 24 March 2005). But the more discerning amongst us would have realised that this is effectively a 23% increase if there is no increase to base line peak fares or an even higher 26.5% increase when compared with peak fares that are set to increase by an average of 2.9%. Surely, a **significant 26.5% increase** is not to be taken lightly nor should it be accepted without any qualification as to its expected effect on overall usage or revenue.

Again, looking at the list of detailed proposed fares to see the real (as opposed to just the average) impact, we see that it rises **as much as 38.5% for the short distance commuter.** So a person who often travels short distances during off-peak times will really feel more than a pinch! Such a sudden escalation in price goes way beyond the inflationary and improved service levels considerations that the recommendations of

the 2003 Parry Report allow for! And why are we penalising these people who are effectively optimising the system and contributing to the peak time capacity issues? It strangely reminds me of the other Sydney Cross City Tunnel debacle, where drivers who wish to avoid adding to congestion in the city by bypassing it are made to pay hefty tolls. The economic model and motives for these initiatives are just not right.

4.3 Comparative Fare Comparisons

The table comparing the international fares (per kilometre) of various well-known global cities (shown in Section 4.5.2 on page 41) is useful in so far as comparing absolute prices. It however fails to address the more objective considerations that would take into account purchasing power parity, the cost-of living index and earning power in each of these cities. We know that these rates vary significantly between countries and more specifically between cities.

In my own experience and subsequent research on fares for the New York City Subway (run by the Metropolitan Transportation Authority), I know that they have flat rate of US\$2 for all journeys on the system. I am therefore puzzled by the figures quoted in the table that contradict this (i.e. US\$0.35 per km up to 6km and US\$0.30 per km up to 20km). Are these figures really correct?

4.4 Alternative Sources of Revenue

At the Stanmore station, where I board my train for work, an enterprising newsagent with his little wheelbarrow sets up his improvised stall at the entrance every morning. There appears to be an untapped business case for supplementary revenue from retail concessions to be explored at this particular and, I suspect, many other stations. The presence of newsagents, florists and other retail concessions at some of the major and busier stations suggests that this may have been considered in the past. However, has RailCorp reviewed this recently to fully exhaust this alternative commercial avenue as an alternative to cost recovery? Again, we are left to wonder.

Conclusion

I truly enjoy living in Sydney and intend to make it my long-term home. However, the single most frustrating and annoying aspect about life in Sydney for me is the appalling CityRail train service run by RailCorp. An aspiring global city such as Sydney shouldn't just rely on the good fortune of its stunning harbour, attractive coastal landscape and favourable climate to make it a great one. A good reflection of the quality of a modern global city would be its public infrastructure, including its transportation system. Like many Sydneysiders, I believe RailCorp can get its act together and deliver a good service, but only with the help of more able leadership and direction that goes **beyond the usual rhetoric and prevailing political shortsightedness.**

I hope to be able to thank the IPART for coming to our rescue and (to borrow from that amusing Carton Breweries advertisement) for "knowing how much of a bad thing is a bad thing". Enough is enough! If you would pardon the pun, CityRail cannot simply take us on a joy ride without knowing where the final destination is. We commuters will willingly hop on and pay fully for this ride if it is truly somewhere we would like to go to.

Come on Sydney!! Where's our collective vision and pride? Surely we can and want to do much better than this!

Attachment: 50 signatures from passengers at stations including Summer Hill, Stanmore, Ashfield, Marrickville and Newtown.