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29 March 2006

Dr Michael Keating
Chairperson
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Dear Dr Keating,

Please find attached the NCOSS submission to the 2006 CityRail Fare Review.

Thank you for this opportunity to comment on CityRail fares. NCOSS has raised significant concerns in this submission on the impact of the fare increases proposed by RailCorp on low income passengers. At present approximately 25% of rail users in Greater Metropolitan Sydney fall into the lowest quintile of household earnings. Any fare increase will impact significantly on these users. The changes to off-peak fares in particular are very concerning: they involve a restructuring of fares that will increase the price of off-peak return travel by 27.3% or *approximately 10 times CPI*. If the planned changes to off-peak fares are incorporated into RailCorp's proposal for general fares, then the proposed increase across all fares equates to a *7% increase*: a figure that is unjustifiable in relation to potential social impact, historical pricing trends, or recent performance.

NCOSS requests the Tribunal consider the following when making its determination of rail fares in 2006:

a. under no circumstances is an adjustment to off peak return discounts justified *without* robust data on the potential impacts for low income passengers and patronage in the short and long terms;

b. historical trends in rail pricing and the cumulative effect of pricing decisions across other regulated services must be taken into account when assessing RailCorp's request for a CPI level increase for general fares;

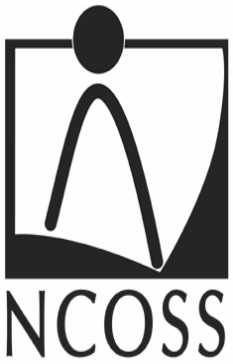
c. if IPART adopts the CPI + 'x' formula for the 2006 rail determination, lack of reported performance in relation to efficiency improvements would suggest that the RailCorp request for a general CPI level fare increase is not justified;

d. available data suggests that general service quality has declined since 2003, while off peak service quality has significantly declined over the same period.

If further information is required on this submission, please contact Dinesh Wadiwel, Senior Policy Officer on 9211 2599.

Yours sincerely

Gary Moore
Director



Submission to the Independent Pricing and Regulatory Tribunal of NSW

CityRail Fare Review

March 2006.

Contents

1. Executive Summary

The Council of Social Service of NSW (NCOSS) is the peak body for the social and community services sector in New South Wales. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in NSW.

NCOSS provides an independent voice on welfare policy issues and social and economic reforms and is the major co-ordinator for non-government social and community services in NSW.

NCOSS believes the goals for public transport should be to:

- Maximise the community's access to transport with high quality, convenient services; and
- Provide mobility at a price that is affordable to individuals from all socio-economic groups in the community.

The pricing and regulation of passenger transport has a major impact on the lives of low income and disadvantaged people and in this regard NCOSS maintains an ongoing policy interest in ensuring that access to services is enhanced and extended.

Sydney faces significant challenges to its long term social and environmental sustainability. Rail pricing will not only have short term effects on patronage, but will impact upon the decisions consumers are able to make in the long term. This submission examines the current challenges for rail user pricing and assesses the proposals made by RailCorp in its submission to the Independent Pricing and Regulatory Tribunal (IPART).

NCOSS believes that the RailCorp proposal to IPART lacks a commitment to long term social and environmental sustainability, and, if approved, will heave a detrimental effect for low income users. At present approximately 25% of rail users in Greater Metropolitan Sydney fall into the lowest quintile of household earnings. Any fare increase will impact significantly on these users. The changes to off-peak fares in particular are very concerning: they involve a restructuring of fares that will increase the price of off-peak return travel by 27.3% or *approximately 10 times CPI*. If the planned changes to off-peak fares are incorporated into RailCorp's proposal for general fares, then the proposed increase across all fares equates to a *7% increase*: a figure that is unjustifiable in relation to potential social impact, historical pricing trends, or recent performance. In relation to the RailCorp submission NCOSS recommends that IPART consider the following:

e. under no circumstances is an adjustment to off peak return discounts justified *without* robust data on the potential impacts for low income passengers and patronage in the short and long terms;

f. historical trends in rail pricing and the cumulative effect of pricing decisions across other regulated services must be taken into account when assessing RailCorp's request for a CPI level increase for general fares;

g. if IPART adopts the CPI + 'x' formula for the 2006 rail determination, lack of reported performance in relation to efficiency improvements would suggest that the RailCorp request for a general CPI level fare increase is not justified;

h. available data suggests that general service quality has declined since 2003, while off peak service quality has significantly declined over the same period.

A significant set of concerns raised in this submission relate to the availability of data and data quality in order for IPART to adequately assess the social impact of price

determinations. In addition to the above recommendations, NCOSS strongly urges the tribunal to improve data on:

i. the cumulative effect of price increases across IPART regulated services for low income people, in particular older people, parents, participants in the private rental market, those reliant on public transport, and large households;

j. impact of public transport fare increases on specific low income household groups, in particular older people, parents, participants in the private rental market, those reliant on public transport, and large households;

k. patronage and income characteristics for off peak rail users in Sydney.

2. Background

2.1 Transport, Social Disadvantage and Rail Fares

"Transport poverty," "Transport Disadvantage," or "Transport Stress" can be defined as involving difficulties accessing transport – either because of factors of cost, availability of services or poor physical accessibility – which leads to isolation from jobs, health and treatment, as well as social and recreational activity. The UK Social Exclusion Unit state that "problems with transport and the location of services contribute to social exclusion by preventing people from participating in work or learning, or accessing healthcare, food shopping and other local activities."[1]

Transport expenses for disadvantaged communities can be high, with transport costs typically consuming a greater proportion of expenditure for low-income households. Because of poor availability of public transport services, many low income people rely on private motor vehicle transport. This mode of transport is expensive and can disproportionately impact upon the weekly budgets of low income people. Information from the Victorian Coalition for People's Transport indicates that "car ownership costs consume 13 per cent of average incomes, but 28 per cent of the incomes of low-income earners."[2]

Public transport expenses can also be high for low income people who are not entitled to a concession fare. There exist a number of gaps in the provision of concession fares in NSW, including, for example, the lack of transport concession for Aboriginal people who participate in Community Development Employment Projects (CDEP). The NSW Government has failed to publicly report on the two reviews of transport concessions it has initiated over the last 7 years.

Transport expenses can also increase where poor urban transport fare integration imposes multiple flagfalls on passengers changing transit modes.

At present rail services in Sydney can offer an affordable alternative to private motor vehicle use, meeting the broad objectives of reducing the social and environmental costs[3] associated with roads and motor vehicle dependency. Ticket pricing structures that take into account large geographic distances travelled and low urban densities can also assist to promote affordable and sustainable connectivity to jobs, services and education. For low income users, an affordable, frequent, safe and reliable rail system can assist to provide a financially viable alternative to private motor vehicle transport.
Low income users account for a large proportion of rail users across Sydney. Information from the Transport Population Data Centre indicates that approximately 25% of rail users in Greater Metropolitan Sydney come from households in the lowest quintile of income. These users are by far the largest grouping of CityRail passengers (see Chart 1).

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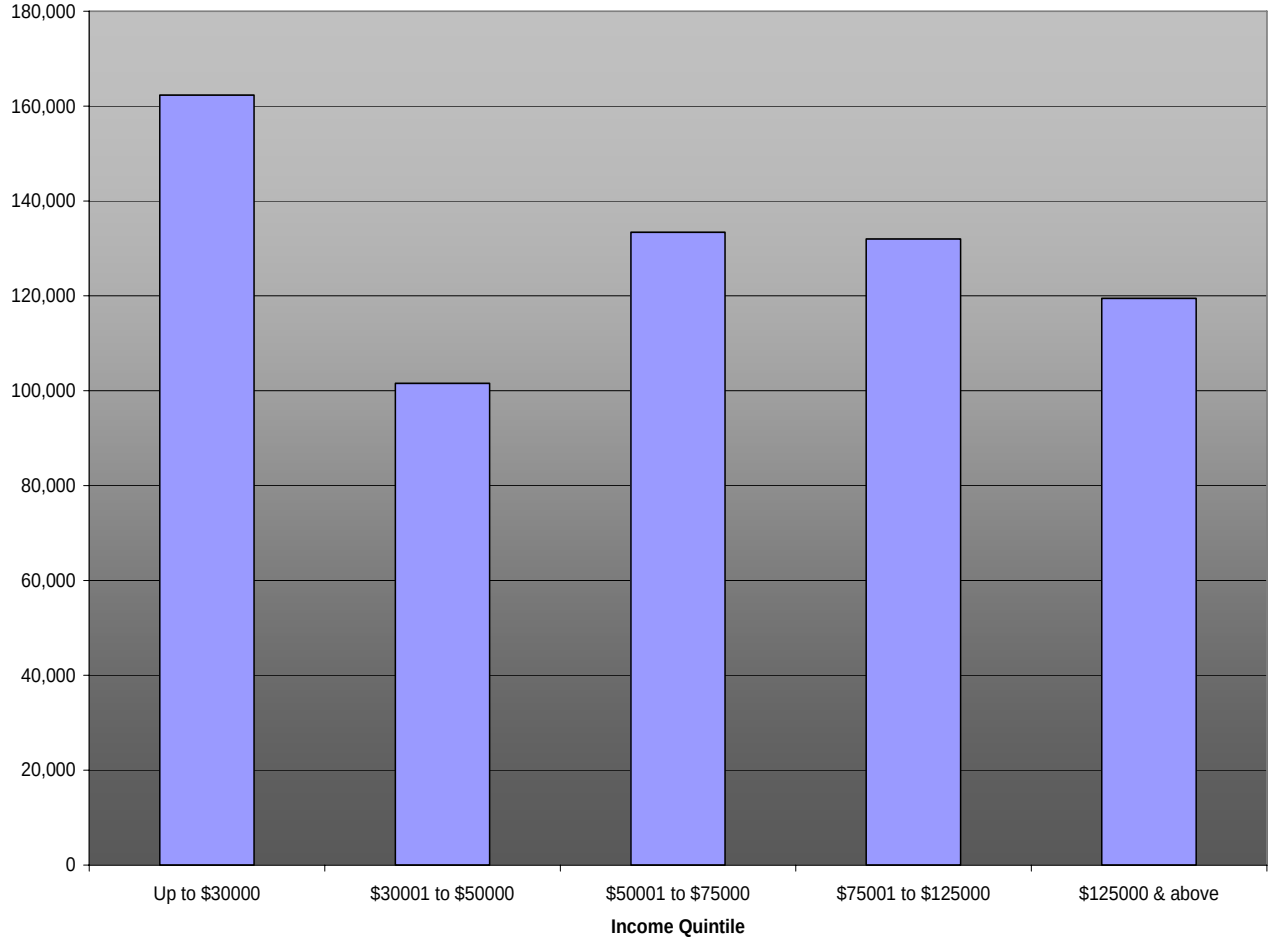
[1] Social Exclusion Unit, "Making the Connections: Final Report on Transport and Social Exclusion," Office of the Deputy Prime Minister, February 2003, p9.

[2] Victorian Coalition for People's Transport, *The Place to be on PT: A Vision for Greater Melbourne's Transport*, 2004, p5.

[3] Centre for International Economics, Sydney's Transport Infrastructure: the Real Economics, commissioned by The Sydney Morning Herald, September 2005. CIE estimate that the annual social cost of road transport in 2005 is approximately $18 billion.

Chart 1: Daily Rail Passenger Trips by Income for Greater Metropolitan Sydney



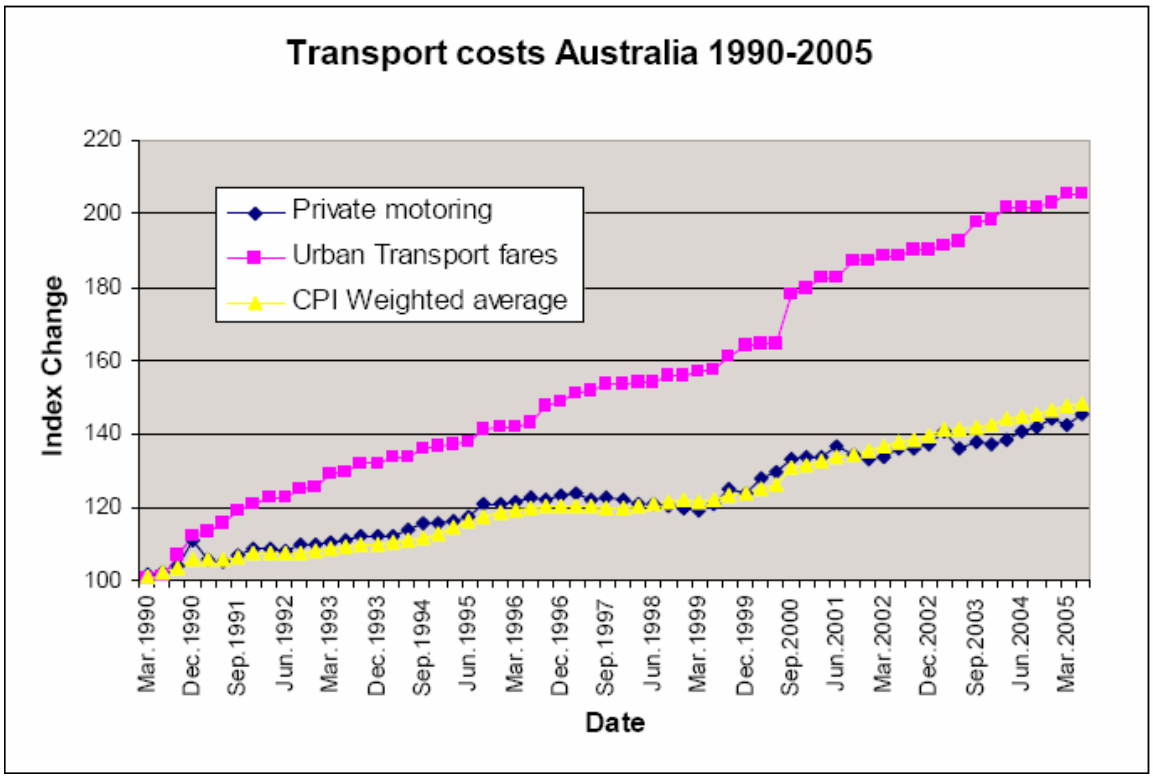
Source: Transport Population Data Centre, Household Travel Survey 2003.

2.2 Trends in Urban Public Transport Pricing

Over the last 15 years there has been a significant real increase in the cost of public transportation in Australia, over and above the costs of other forms of transport, such as private motor vehicle usage (See Chart 2). Between 1990 and 2005, "the cost of urban transport fares has increased at 2.17 times or 117% above the inflation rate. During the same period the cost of private motoring increased at a rate of 5.78% below the underlying CPI."[4]

[4] Gavin Dufty, *Winners and Losers: The Story of Costs*, Social Policy Issues Paper 2. St Vincent De Paul Society National Policy Council, December 2005, p7.

Chart 2: Transport Cost Trends in Australia since 1990



Source: Gavin Dufty, *Winners and Losers*, p7.

The underlying national trend towards significant above CPI increases in public transport pricing corresponds to changes in public transport fares within NSW (See Chart 3). IPART have observed that "in contrast to water and electricity prices, public transport prices have risen substantially since 1992/93."[5]

Although these price increases have been experienced by passengers across all modes of transport, rail prices have increased more dramatically within NSW: "Train passengers pay on average 24 per cent more now than in 1992/93, while bus and ferry commuters pay on average 15 per cent more in real terms (including GST)."[6] This price trend has not necessarily been accompanied by commensurate service quality improvements: for example, the *Interim Report of the Ministerial Inquiry into Sustainable Transport in NSW* observed in 2003 that "CityRail has failed to meet its key performance target for on-time running in all but three of the past 14 years."[7]

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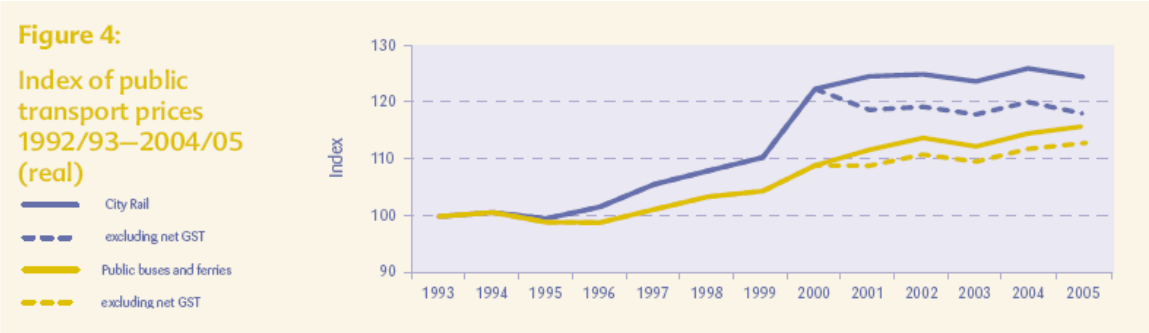
[5] Independent Pricing and Regulatory Tribunal, *Annual Report 2004-05*, p49.
[6] IPART, *Annual Report 2004-05*, p49.
[7] Ministry of Transport, *Interim Report of the Ministerial Inquiry into Sustainable Transport in NSW: Options for the Future,* August 2003, p25.

Chart 3: Trends in Public Transport Prices in NSW from 1992/3



Source: IPART Annual Report 2004-5, p49.

Government policy indicates that there is no intention to alter this characteristic for public transport fares. The 2003 *Final Report of the Ministerial Inquiry into Sustainable Transport in NSW* (Parry Report) proposed a long term approach to public transport fare regulation, which would include "modest real fare increases."[8] The Parry Report estimated that in order to offset the costs of establishing rail clearways through the farebox, annual real fare increases of 4 per cent (that is, nominal increases of CPI + 4%) would be required over a period of five years.[9] Assuming current inflation levels remain the same, this equates to annual fare growth at approximately 2.33 times CPI.

2.3 Cumulative Effect of Price Changes across IPART Regulated Services

Substantial above CPI increases in user pricing across transport, energy and water suggest the need to assess the cumulative effect of these price changes on household expenditure. This is of particular importance for low income households, who typically experience higher levels of financial hardship; possessing lower levels of disposable income and a reduced capacity to accommodate significant price changes for essential services. Inability to pay gas or electricity bills or inability to heat one's home as a result of a shortage of money are now included as indicators of hardship by the Australian Bureau of Statistics (ABS).[10]

Given IPART's role as regulator of gas, electricity, water and public transport pricing in NSW, and given the responsibility of the regulator to take into account the social impact of its determinations (as per Section 15 (1) (k) of the *Independent Pricing and Regulatory Tribunal Act 1992*), there is a strong case for IPART to a framework that is able to accurately represent the cumulative impacts of its determinations for different households in NSW.

Since 1993 IPART have provided an index of household charges relating to the areas of utility and transport pricing that are currently regulated by the Tribunal. The index is weighted in accordance with the weightings that are applied by the ABS Household Expenditure Survey (HES). The IPART Household Charges Index indicates that household expenditure on electricity, gas, water and public transport are 1 percent lower than 1992/3 (see Chart 4).[11]

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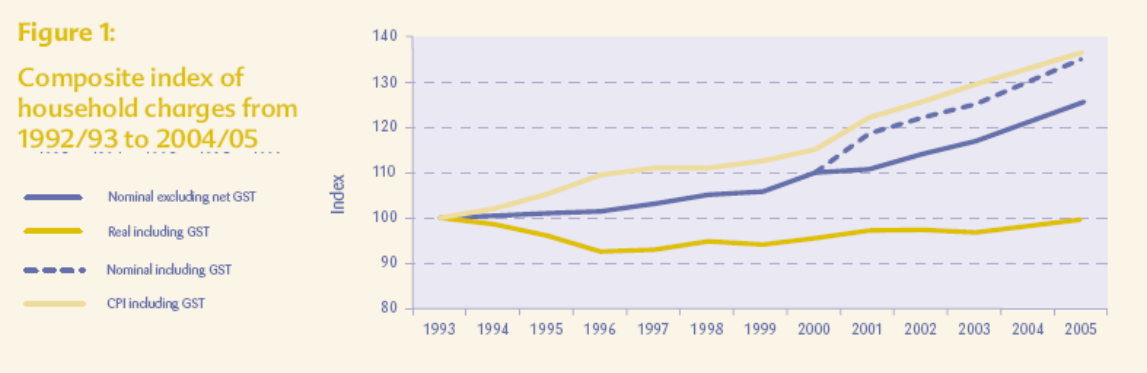
[8] Ministry of Transport, *Ministerial Inquiry into Sustainable Transport in NSW*, Final Report, 2003, pxv.
[9] MoT, *Ministerial Inquiry into Sustainable Transport in NSW*, p28.
[10] See Peter Saunders, "Towards a Credible Framework: From Income Poverty to Deprivation," Social Policy Research Centre, Discussion Paper 131, 2004, p14-5.
[11] Independent Pricing and Regulatory Tribunal, *Annual Report 2004/05*, p47.

Chart 4: Trends in "Household Charges" from 1992/3 to 2004/5



Source: IPART, Annual Report 2004/05, p47.

Although the IPART Household Charges Index may be of some value for assessing the impact of cumulative pricing for medium and higher income households, it may be less useful for determining the impact of price changes for low income households. The weightings applied to energy, water and public transport costs (derived from the ABS weightings) are reflective of average weekly expenditure for households.[12] They do not necessarily reflect the different proportions of weekly expenditure devoted to a particular good or service by households across the income scale. To take the example of housing costs, there is significant disparity between expenditure by home owners and private renters: "housing costs accounted for only 8% of total expenditure on goods and services of those households who owned their home outright; at the other extreme, households renting from private landlords spent 23% of their total expenditure on housing."[13] The large discrepancy between housing costs will affect the level of disposable income available to purchase goods and services: it can be anticipated that households with lower levels of disposable income will tend to devote a larger proportion of income to essential services, and a lower proportion of expenditure on 'discretionary' items, such as luxury goods or electronics.

1n 1993, 1995 and 2000 ABS compiled experimental indices for pensioner households, following a request of the 1992 Standing Committee on Finance and Public Administration.[14] At this time ABS found that "construction of price indexes for special population groups using price information collected for use with the CPI is unlikely to produce indexes which differ significantly from the CPI."[15] ABS has recently released indices tailored to the spending characteristics of Employee households, Age pensioner households, Other government transfer recipient households, and Self-funded retiree households. ABS

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[12] IPART applies weightings as follows: electricity 47 per cent, water 20.5 per cent, gas 11.5 per cent and public transport 21 per cent. Note that this weighting will not reflect the spending characteristics of some low income households: for example households that do not possess a car and devote a large proportion of income to public transport fares.

[13] Australian Bureau of Statistics, "Household Expenditure Survey 2003-04: Summary of Results," August 2005, p6.

[14] See Australian Bureau of Statistics, "Experimental Price Indexes for Aged Pensioner Households: An Update," 1993; Australian Bureau of Statistics, "Experimental Price Indexes for Aged Pensioner Households: An Update," 1995; and Australian Bureau of Statistics, "Experimental Price Indexes for Age Pension Households: an Update," 2000. Note that the 2000 update did acknowledge that CPI may have drawbacks in reporting short term changes in expenditure for some households: "over shorter time periods, however, significant differences in index behaviour may emerge."

[15] ABS, "Experimental Price Indexes for Aged Pensioner Households," 1993.

conclude, as in previous work, that "the CPI provides a reasonable estimate of changes in living costs for each of the selected household types over this period."[16]

NCOSS is concerned that the experimental indices and the recently released analytical cost indexes for selected household types do not necessarily reflect the experiences of some low income households reliant on government pensions of allowances: for example, because public transport expenditure and private motor vehicle costs are grouped together by the ABS, the impact of significant above CPI increases in public transport fares since 1990[17] is not highlighted, despite the obvious impact this may have for households without access to a motor vehicle. Further, there is a lack of detail on the differences in spending as a result of other significant factors, such as the costs of living for participants in the private rental market in comparison to those who own their own homes outright.

Recent work by Gavin Dufty for the St Vincent De Paul Society National Policy Council creates a set of Relative Price Indices that are designed to more accurately portray the expenditure characteristics of different households, and report upon the social impact of recent price movements[18] (see Chart 5) Dufty finds that: "increased cost pressures have disproportionately impacted upon various households depending upon the stages of their life cycles and income source…Of particular concern is the impact these cost pressures have on the aged, parents, and those reliant on the rental housing market and public transport."[19]

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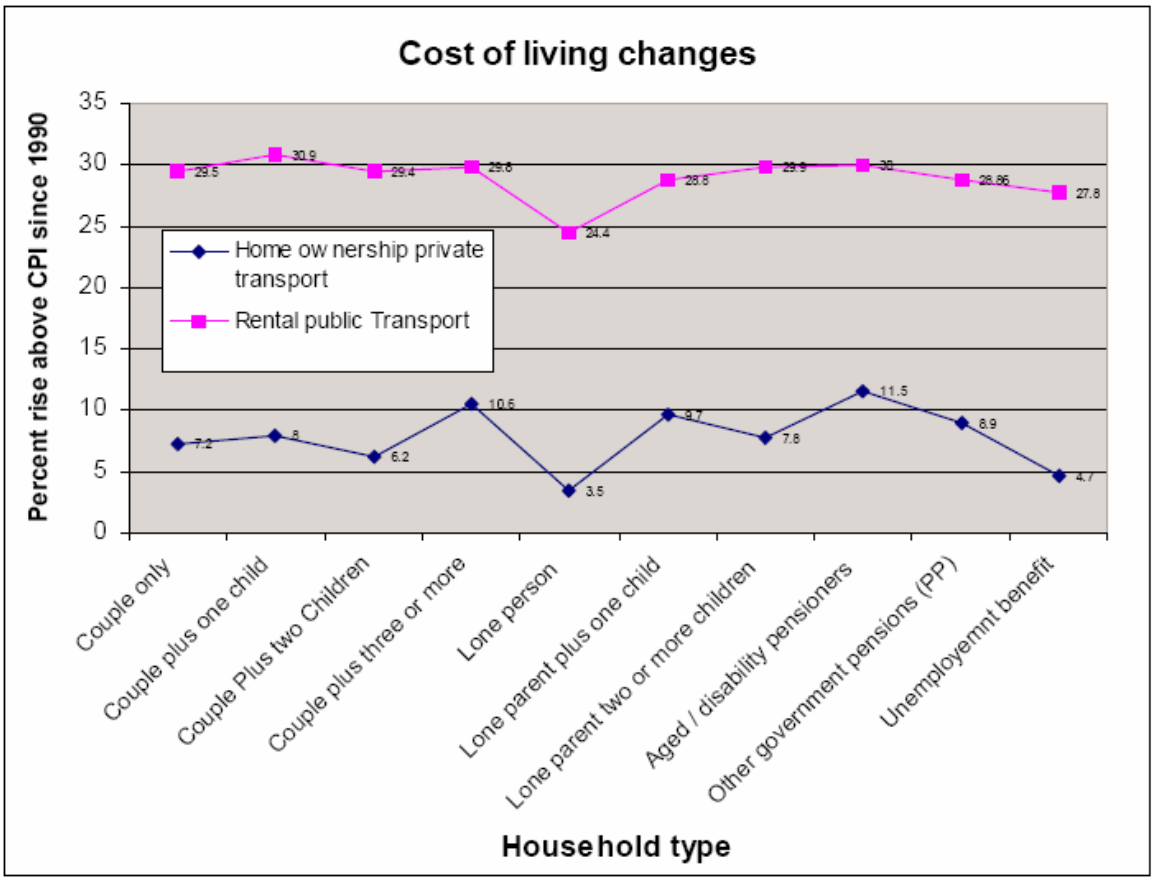
[16] Australian Bureu of Statistics, Analytical Cost Indexes for Selected Household Types: Update to June 2005, September 2005, p9.

[17] See Gavin Dufty, *Winners and Losers: The Story of Costs*, Social Policy Issues Paper 2. St Vincent De Paul Society National Policy Council, December 2005, p7; see also Independent Pricing and Regulatory Tribunal, *Annual Report 2004-05*, p49.

[18] Dufty, *Winners and Losers*.

[19] Dufty, *Winners and Losers*, p1.

Chart 5: Relative Price Indices since 1990



Source: Dufty, *Winners and Losers*, p5.

Significantly, for the purpose of IPART regulated services, the report finds that nationally there have been significant above CPI cost pressures on both public transport and utilities charges, with urban transport fares in particular experiencing growth at 2.17 times the inflation rate since 1990. This correlates with significant above inflation growth for public transport fares in NSW since 1992/3, as reported by IPART.[20]

Given the findings of the St Vincent De Paul Society National Policy Council discussion paper, and IPART's own findings in relation to the potential hardship of increased utility charges for large low income households, NCOSS would strongly urge IPART to develop an index to accurately track the impact of its pricing decisions for low income households. At a minimum, based on the above findings, there is a strong case for this index to examine spending for low income older people, parents, participants in the private rental market, those reliant on public transport, and large households. An analysis of transport cost issues for public housing tenants would also be warranted.

[20] IPART, *Annual Report 2004/05*, p49.

2.4 Policy Directions for Rail Fare Setting in NSW

NSW lacks a clear policy direction for how fare determination for rail services will meet long term social sustainability goals. A discussion of social sustainability and urban transport is included in the Appendix to this submission.

In 1998, the then Department of Transport released an integrated transport forward planning document entitled *Action For Transport 2010*. This plan laid out a vision for transport provision in NSW, with an explicit aim to improve public transport service provision in order to 'reduce traffic congestion and improve our air quality.'[21] A number of public transport projects were flagged in this plan, including the North West Rail Link and a Hurstville to Strathfield Rail Link. Unfortunately this document is evidence of the prioritisation by Government of investment in road infrastructure over public transport development, with most major road projects detailed in the plan built or committed to over the next ten years, whilst only a small number of public transport improvements have been progressed in the same period. The current status of this document, and the commitments contained within, is unclear.

The 2003 Parry report provided an analysis of financial sustainability for public transport in NSW, and provided a set of principles for maintaining improving financial sustainability, reducing government spending and increasing user contributions. The Parry report outlined a CPI + 'x' formula for future fare increases in public transport. This formula for fare determinations was clarified further in the NSW Premier's letter to IPART in 2004. The CPI + 'x' formula states that fare increases up to CPI should be subject to *efficiency gains*, while above CPI increases are justified subject to *service quality improvements*. If we accept this formula the following principles hold:

- operating cost changes are in themselves not direct grounds for fare increases;
- increased importance is placed on weighing CPI based increases against possible cost efficiencies;
- there is emphasis placed on evidence for service quality improvements.

It is important to note that the Parry report focused overwhelmingly on issues of financial sustainability, rather than the long term aims of public transport services. The report looked for strategies to mitigate future government expenditure on public transport: *service quality* (as opposed to other factors such as affordability) was determined to be the main policy lever for shifting the responsibility for public transport funding from government to users. The Parry recommendations did not contain any long term goals or benchmarks for changing modal use, and did not contain any thorough investigation of affordability issues or long term social sustainability.

It should also be added that the CPI + 'x' formula does not necessarily guarantee a financially sustainable framework for fare growth, particularly where operators are repeatedly not able to meet planned service quality improvements. NCOSS does not support the use of fare pricing as a tool to improve industry performance. Robust monitoring and regulation of the industry is necessary, but granting increased fares for performance gains is a potentially inconsistent method for improving the performance of services, and can have

[21] Department of Transport, *Action for Transport 2010: An Integrated Transport Plan for New South Wales*, 1998, p44

the effect of pricing some passengers out of public transport, increase car usage and in turn lower patronage on public transport services. Efficiency gains may also place onerous conditions on transport operators and impact upon their ability to meet core objectives. Further discussion is required on how efficiency gains may be usefully used in the future to moderate fare increases and fund service expansion / quality improvements.

Sydney Metropolitan Strategy

NSW has recently attained a single accessibility benchmark to guide long range development, infrastructure growth and service planning through the Sydney Metropolitan Strategy Process. *City of Cities: A Plan for Sydney's Future* contains the following aim for access to services:

- Increase the percentage of the population living within 30 minutes by public transport of a city or major centre.

Although urban housing development will affect the achievability of this goal, the indicator also contains a policy direction for rail infrastructure development and rail service delivery, frequency, affordability, reliability and quality. NCOSS would urge IPART to consider in this determination:

- the relationship of the CPI + 'x' formula to the long term goal of improving Sydney's accessibility;
- the relationship between CityRail's mission, goals and key performance indicators and the long term goal to improve Sydney's accessibility;
- the long range impact of any fare adjustments in meeting the stated accessibility goal.

NCOSS also notes that existing data demonstrates a strong tendency towards an increase in the utilisation of private motor vehicle travel in Sydney, and an increased demand for journeys other than to employment related destinations. This highlights the need for public transport services to improve their attractiveness and appropriateness over both peak and off peak travel in order to achieve social sustainability goals.

2.5 Concession Fares and IPART

IPART have in the past taken a very strong position that they do not have a charter to regulate concession fares, stating:

> The Tribunal does not set the State Government's social benefit policy. Therefore, concessions granted to pensioners, children and students are a matter for the Government.[22]

NCOSS has in the past raised issue with this stance, arguing that in order for the Tribunal to meet the requirements of Section 15 (1) (k) of the *Independent Pricing and Regulatory Tribunal Act 1992* (which provides for IPART to consider the social impact of fare determinations), IPART must consider the effectiveness of the concession system in promoting affordability for low income public transport users.

2.6 Integrated Tickets = Integrated Fares?

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[22] Independent Pricing and Regulatory Tribunal, "Report on the Determination of NSW Public Transport Fares," 2003, p5.

The Ministry of Transport has made some progress with Tcard in 2005, with the system tested for school students from the beginning of the year.

Fares and ticketing products effect the social performance of public transport systems. Although Tcard will encourage reduced usage of cash fares in Sydney, NCOSS has raised a number of issues with the Ministry of Transport (MoT) relating to the policy framework within which this ticket is being delivered, including:

- No NSW Government plan for T Card roll out beyond Greater Metropolitan Sydney.
- Potential high charges for minimum initial load on the card, minimum reload and replacement fees.
- Concession entitlement inconsistencies between operators and subsequent fines for incorrect concession use.
- Inclusion of current integrated ticket products, such as TravelPass, in the T Card.
- Physical accessibility of new T Card machines.
- Points of access to purchase T Cards within the transport system.
- Opportunities for passengers to check status of their T Card within the transport network.

A significant concern is the fact that Tcard will not deliver an integrated fares system, which means that there is potential for multiple flagfalls for one journey. NCOSS contends that the failure to work towards integrated fares (as opposed to ticket products) will continue to exacerbate the affordability issues faced by people who need to use a number of different operators across a single journey.

There are two important integrated fares in Sydney: *firstly* PET which has only recently been made available across Sydney; secondly Travelpass, available on publicly operated ferries, trains and buses. NCOSS is very concerned that MoT have stated in 2005 that "TravelPass will not be available on the private operator network" (p14).

3. RailCorp Submission

3.1 Quantifying the Proposed Fare Increase

RailCorp have proposed the following fare increases for CityRail tickets:

- 2.9% increase to be applied across all fare types.
- a reduction in discount for off-peak tickets to 25%

Although many proposed fares will only rise by 2.9% or below, this is not necessarily reflective of the actual fare increases experienced by users. For example, people who travel during the day or weekends will experience significant above CPI fare increases; similarly because of the 'rounding effect' users of some tickets will also experience a significant price change for some tickets. Quantifying the 'system wide effect' of the proposed fare increase is difficult as a consequence of the following factors:

- the actual increase in fares across CityRail services will depend on the proportion of off-peak return ticket sales in comparison to other ticket sales;
- the effects of rounding for some ticket products will mean a price spike for particular tickets in 2006-07;

A further complication is that the effect of the fare increases will depend on ticket sales by *both* ticket type (single, off peak return, TravelPass etc) and distance travelled since the fare scale is dependent on distance of trip.

Off Peak Return Ticket Sales

RailCorp has presented limited data on the current or projected breakdown of ticket sales by type, in order to assess the global effect of increasing off peak return ticket prices on Sydney public transport fares in general. Indicative summaries of rail travel by ticket type are available through the Transport Population Data Centre (TPDC), although these do not provide specific details on the split between off peak return and other ticket sales.[23]

An estimation of ticket sales is available in the IPART 1996 document "Estimation of Public Transport Fare Elasticities in the Sydney Region," which in turn uses 1991 data from the TPDC Sydney Travel Survey (see Table 1).[24] As a result of likely sampling errors for some ticket products, the data can only be treated as indicative, but it provides a sense of the likely breakdown between off peak return ticket and other ticket types for weekday travel. Based on this data it is possible to suggest a likely breakdown of ticket sales by type for CityRail services on *weekdays*: the table below (see Table 2) suggests that off peak return ticket sales account for approximately 17% of total ticket sales. Note that this data only refers to weekday travel: it can be assumed that off peak return ticket sales account for a larger proportion of total ticket sales on *weekends*.[25]

[23] See Transport Population Data Centre, "Train Users in Sydney," Brochure, November 2003; and Transport Population Data Centre, "Train Users in Sydney," Issues Paper, 2000/01.

[24] Independent Pricing and Regulatory Tribunal, "Estimation of Public Transport Fare Elasticities in the Sydney Region," October 1996, p18.

[25] Weekend ticket sales are significantly lower than those on weekdays. TPDC report: "61% of all train trips are made during the "peak" (arriving 6.00am-9.30am or departing 3.00pm-6.30pm on an average weekday). The other 39% of train trips are made during the "off-peak" (rest of an average weekday & weekends)." See TPDC, "Train Users in Sydney," 2003.

Table 1: Breakdown of Ticket Sales by Type 1996

Ticket type	Daily Commute Trips	Daily Non-Commute Trips	Average Commute Time	Average Non-Commute Time	Average Commute Fare (one-way trip)	Average Non-Commute Fare (one-way trip)	Average Commute Trips per Ticket	Average Non-Commute Trips per Ticket
Train Single	42,786	100,499	33	33	$2.85	$2.83	1	1
Train Off Peak Return	3.220	78,964	25	25	$1.55	51.55	2	2
Train Weekly/Periodical	127.890	89,289	50	50	$2.50	$2.50	9.2	9.2
Train TravelPass(BFT)	21,805	18.659	63	63	$2.40	$2.38	10	10
Bus Single	53,456	41,836	23	25	$1.55	$1.84	1	1
Bus TravelTen/Periodical	88,552	41,024	26	24	$1.00	$1.14	10	10
Bus TravelPass (BF)	40,732	18,103	48	26	$0.94	$2.26	15.7	15.7
Bus TravelPass(BFT)	48,999	21,777	30	29	$0.91	$2.15	10.5	10.5
Ferry Single	5,348	8.728	40	40	$2.91	$3.23	1	1
Jetcat Single	1,322	1.874	15	15	$4.80	$4.60	1	1
Ferry TravelTen/Periodical	4,738	1,168	34	34	$1.75	$1.54	10	10
Jetcat TravelTen	896	232	24	24	$3.95	$3.89	10	10
Ferry TravelPass (BF)	4,230	1,327	31	31	$1.40	$2.21	1.5	1.5
Ferry TravelPass(BFT)	2,658	1,337	31	31	$1.45	$2.74	0.6	0.6
Car	821.344	5.619.476	23	23	$1.35	$1.35	1	1
TOTAUAVERAGE	*1,267,976*	*6,044,293*	*33*	*32*	*$2.08*	*$2.38*		

Average commuter trips per ticket are based on the survey except where the ticket determines the number of trips (eg single, return, TravelTen)

Source: IPART, Estimation of Public Transport Fare Price Elasticities for the Sydney Region, p18.

Assuming an average proposed increase in off peak return rail fares is 27.3%, and applying a 2.9% increase to the remaining 83% of CityRail fares, there is an approximate average price increase for all CityRail fares of 7.05%.[26] *In other words, once the price increase for Off Peak fares is factored, the proposed fare increase equates to an increase of approximately 7% or close to two and a half times CPI. .*

The effect of rounding, in particular on weekly fares that comprise the bulk of CityRail ticket purchases, is also likely to add further upward pressure on prices in 2006-07 if the proposed fare scale is adopted. [27]

[26] TPDC estimates that in 2001 the average distance of Sydney train trips was 18.4 km. This lies between the proposed 15km and 20km charges for off peak return CityRail fares. The estimate assumes that elasticities for off peak and peak fares are 0.

[27] Rounding of fare increases can also impose a significant price impact on particular tickets in the short term. Although the effects of rounding are taken into consideration for future price determinations, and rounding can also reduce of price increase in some circumstances and for some ticket types, rounding can still place upward pressure on public transport prices within any given year. If it is assumed that the approximate fare increase across all weekly tickets is 3.6% (again, assuming that the average weekly ticket purchased is used over 18.4kms), then the system wide growth in fares proposed by Railcorp is probably of the order of 7.5%.

Table 2: Breakdown of Rail Ticket Type by Proportion Total Ticket Sales

Ticket Type	Proportion of Total Ticket Sales
Single	38%
Off Peak Return	17%
Weekly / Periodical	45%
TravelPass	8%
Total	100%

3.2 Efficiencies for CityRail

The Parry report identified a range of areas where efficiency gains were possible for CityRail. These included:

- centralising signalling operations;
- merging the head office operations of Rail Infrastructure Corporation (RIC) and SRA;
- improving the purchasing process for new rolling stock;
- changes to "work practices" including "changes to driver schedules and changes to the location and practices of rail maintenance staff." [28]

The Parry report also recommended an independent cost benefit analysis of the rail clearways program, given that there is "considerable uncertainty about whether …[SRA's prelimary cost]…estimates represent efficient costs."[29]

In its submission to IPART, RailCorp have not provided any details in relation to the above areas in the context of efficiencies. On the contrary RailCorp has stated that it has "implemented a KPI measurement process to drive efficiency improvements."[30] There are no public details available on the Key Performance Indicators CityRail has adopted. Timelines are not provided as to the implementation and availability of data as a result of the new KPIs, and no future estimate is made of the potential savings that could be extracted as a result of this process. There is also no data provided in relation to "the progress made by RailCorp to date and the continued focus on driving efficiency improvements as recommended by the Parry Report."[31]

From the details provided by RailCorp, it is difficult to see how the adoption of a KPI framework for measuring performance provides any direct information on efficiency gains. It is conceivable that KPIs can measure the efficiency of the organisation in meeting stated objectives, but this is a different process from examining the financial operating costs of delivering services and examining 'cheaper' ways of delivering these same services. Note that the KPI framework recommended by the Parry report for transport operators in NSW

[28] MoT, *Ministerial Inquiry into Sustainable Transport in NSW*, p23. Detailed information on potential efficiency gains are discussed in the Interim Report of the Inquiry.
[29] MoT, *Ministerial Inquiry into Sustainable Transport in NSW*, p17.
[30] RailCorp, "Submission to the Independent Pricing and Regulatory Tribunal of New South Wales: CityRail Fare Review" February 2006, p4.
[31] RailCorp, "Submission to the Independent Pricing and Regulatory Tribunal of New South Wales," p4.

was to be used for the measurement of service improvement: "as part of an improved incentive structure to achieve service improvements in public transport, public transport operators should be required to demonstrate their performance against a set of carefully chosen Key Performance Indicators."[32] The Parry report never described the use of KPIs solely as a framework to achieve efficiency gains.

It is also important to note that under the framework CPI + 'x' framework fare increases are not a 'reward' for efficiency gains, rather fare increases are only granted where it can be demonstrated that potential efficiency gains are not possible in any given year in order to moderate a proposed fare increase. The IPART chairperson explained this in the October 2005 Public Hearing for Sydney Ferry Fares:

> we would generally see efficiencies, cost savings, as a reason for not increasing prices, not as a reason for increasing prices. As a general rule, when we look at price regulation, we assess the scope for savings and whether the organisation is running as efficiently as it could, and if we think that it is not running as efficiently as it could, then we give it a smaller price increase, on the grounds that they could get their costs down and don't need a price increase.[33]

It is still not clear what process is used to identify these efficiencies and how inadequate information on potential efficiencies gains will be factored into a proposal for a CPI or higher fare increase. Accepting the Government endorsed framework for the fare determinations (see 2.4 above) the following should apply for assessing efficiencies against a CPI level fare adjustment:

- there should be an independent and transparent evaluation of potential cost savings through more efficient practices by the operator;
- proposed efficiency gains must be accurately costed in order to quantify the potential moderating effect they may have on fare increases;
- assessment should be made to ensure that any proposed efficiencies *do not compromise the ability of the public transport operator to meet its objectives in the short, medium and long terms*.

In relation to the 2006 CityRail fare determination, NCOSS believes there has been inadequate information provided on efficiency gains made or planned by CityRail, with no information provided to enable the Tribunal to quantify the effect of these gains on the proposed CPI level increase for general fares. Further there has been no reporting on the progress of the efficiency gains proposed by the Parry Inquiry.

If the CPI + 'x' formula is adopted as the template for determining fare adjustments in 2006, this would imply that the full proposed 2.9% increase for general fares is not justified.

3.3 Service Quality Improvements

RailCorp argue there have been improvements in service quality across the following areas:

- Service Reliability improvements in the 4 months after September 2005;

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[32] MoT, *Ministerial Inquiry into Sustainable Transport in NSW*, 13-4.

[33] Dr Michael Keating, Transcript, Independent Pricing and Regulatory Tribunal, Public Hearing into Ferry Fares Review, 28th October 2005.

- Safety including Safety Management System;
- Security including increased presence of Transit Officers and a reduction in offences "against the person";
- Cleanliness including "Roving Cleaners" and a claimed reduction in complaints of 4%;
- Infrastructure improvements including rail station upgrades and fleet upgrades;
- Staff including results of 'mystery shopper' audit and increased number of drivers;
- Customer information including a calendar of planned track closures and new displays on stations;
- Reduction in complaints between 2004 and 2005 of 15%.

The CPI + 'x' formula provides for above CPI fare increases where service quality improvements can be demonstrated. This would imply that it is not necessary to demonstrate service quality improvements for CPI or below fare increases. Given that RailCorp has proposed a CPI level fare increase for general fares, and a 27.3% fare increase for off peak fares, it is difficult to determine to what extent service quality should be taken into account in evaluating the RailCorp proposal. The difficulties in assessing service quality are compounded by the lack of public availability of CityRail's KPIs. Further, it is unclear how IPART intends to assess service quality improvements without a suitable weighted index to assess changes in different areas over time.

One approach might be to use a 'system wide' estimate of the proposed fare growth to determine the component of the fare increase that must be tested against service quality improvements. As stated above (see 3.1), if we factor the impact of proposed off peak fare increases into the proposed general fare increase, the actual fare increase proposed by RailCorp is probably around 7%, or **CPI + 4.1**%. In other words, using this approach, RailCorp would need to demonstrate, provided efficiency gains were accounted for (see 3.2), that service quality had improved to a substantial extent to justify a 4% increase above CPI fare increase in 2006/07.

Another approach would be to separate the proposed general fare increase from the planned changes to off peak discounts, and test off peak travel for service improvements. This would imply measuring off peak travel service quality, and assessing whether improvements in the delivery of services to off peak travellers would justify a very substantial (24.4%) increase above CPI for these fares. NCOSS understands that RailCorp have advanced a consistency / cost recovery argument for the proposed adjustment of off peak fares (rather than a service quality argument), but as stated below, the decline (rather than improvement) in off-peak rail services since 2004 does not strengthen the case for a substantial fare increase in this area.

NCOSS would be very concerned about any fare increase granted for CityRail services on the basis of service quality. NCOSS makes the following observations in relation to Service Quality for CityRail:

Reliability

CityRail has only met on-time running targets in 3 of the last 16 years. The improvement in on time running in the last third of 2005 is not reflective of the yearly trend, nor does the on-time running performance of CityRail in the last third of 2005 meet or exceed the benchmark of 92%. NCOSS notes that these figures do not include the performance of off peak services.

Journey Times

Most passengers on CityRail services have experienced an increase in journey times of 5-10% or "between three and six minutes on the average hourly journey."[34] People travelling longer distances (such as commuters from Western Sydney to the CBD) have experienced significant increases in journey times. Station dwell times have also increased, adding time to journeys, particularly for people who use services with a large number of stops.[35]

Frequency of Services

There has been a substantial reduction in the frequency of services, which has, by and large, affected off-peak service quality. 270 off-peak services were removed from the new timetable implemented in late 2005. In 2004 weekend services were cut by between a third, with changes affecting some services to Bankstown, the Inner West, Liverpool, Penrith, and the Lower North Shore resulting in a 50% reduction in services. It is NCOSS's understanding that 6 peak services were also removed in the new timetable.

Passenger Comfort

The Independent Transport Safety and Reliability Regulator (ITSRR) reports a substantial increase in crowding on trains in the 2004-05 period: "for March 2005, crowding exceeded target levels with 12% of surveyed peak trains reporting crowding compared with 8% in September 2004 and 7% in March 2004."[36] The crowding target for CityRail was for 5% of peak period services to have a crowding factor of 135%. NCOSS is not aware of recent data on crowding since the implementation of the new timetable, but certainly anecdotal information from consumers who have responded to the IPART 2006 CityRail fare determination would suggest that crowding continues to be a concern for travelers on peak services. Further, a reduction in rail cars for the off peak period may have increased crowding for some of these services.

There have been some fleet improvements with the completion of the Millennium train deliveries, but again, the submissions to IPART would suggest that the standards of the existing fleet (particularly in relation to the supply of air-conditioned carriages) is below the expectations of customers. NCOSS notes further that it is consumers who travel the furthest distances who are likely to have experienced the worst service outcomes in terms of passenger comfort, particularly where services are crowded and hot.

Security

NCOSS welcomes the reduction in the reported 'offence against person' statistics on CityRail services. NCOSS notes that RailCorp have not provided any evidence in relation to the link between the presence of Transit Officers and the reduction in reported crime on the network. Further there has there has not been any comparison drawn between crime on CityRail facilities and trends in general crime levels in the community. This is important, since some reported improvements are not specific to rail services, but match community trends: for

[34] RailCorp, "Submission to the Independent Pricing and Regulatory Tribunal of New South Wales," p21.
[35] RailCorp, "Submission to the Independent Pricing and Regulatory Tribunal of New South Wales," p21.
[36] Independent Transport Safety and Reliability Regulator, *Annual Report 2004 – 05*, p69.

example, the Bureau of Crime Statistics reports an *annual* 15-20% general decline in reported robbery offences since 2001 across NSW.

The introduction of Transit Officers onto CityRail services has not been experienced positively by all passengers, and has arguably reduced service quality for some rail users. A recent report from the Homeless Persons legal Service / Public Interest Advocacy Centre finds that there are "problems with fines in the public transport system and the Transit Officers who issue them."[37] There are significant community perceptions of bias in the issuing of fines, and suggestion that "homeless people, people with disabilities, young people, Indigenous people, recent refugees and migrants appear to be easy targets for public transport fines."[38] In 2005 the NSW Ombudsman expressed serious concerns about the failure of RailCorp to adequately resolve complaints related to Transit Officers.[39] Of the complaint files investigated by the NSW Ombudsman, "53 investigations (or 74%) were unsatisfactory"…and..."almost half involved allegations of assault or excessive use of force during the arrest of people by transit officers."[40]

RailCorp have not produced information in their submission to IPART on their progress towards resolving some of these serious community concerns in relation to Transit Officers.

Data on Off Peak performance

To date, there is no data published by RailCorp on off peak service performance in order to assess service quality. Given the dramatic reduction in the frequency of services during off peak periods since 2004, it is unlikely there have been any service quality improvements during off peak periods; on the contrary it is likely that passengers on these services have experienced a deterioration in service quality. Any future changes to off-peak fares must depend on accurate, quality data in relation to off peak travel characteristics.

Summary of Service Quality Concerns

In summary, NCOSS raises the following concerns for consideration by the Tribunal in relation to service quality issues:

a. Despite some improvements in infrastructure and information, there has been a general decline in service quality on CityRail services since 2003 in relation to reliability, frequency, and comfort;
b. People traveling long distances in peak periods, including a substantial number of low income passengers, are likely to have experienced a significant deterioration in service quality as a result of longer journey and dwell times, crowding and in some cases, reduced frequency;
c. As a consequence of service changes (and in spite of data limitations) it is likely there has been a *substantial reduction in service quality during off peak periods*;
d. Any security improvements related to implementation of the Transit Officers program must be independently evaluated, and weighed against documented community concerns.

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[37] Homeless Persons Legal Service / Public Interest Advocacy Centre, Not Such a Fine Thing! Options for Reform of the Management of Fines Matters in NSW, April 2006, p1.
[38] HPLS / PIAC, *Not Such a Fine Thing!*, p1. See also Law and Justice Foundation of New South Wales, *No Home, No Justice? The Legal Needs of Homeless People in NSW*, July 2005, pp105-8.
[39] NSW Ombudsman, *Annual Report 2004-05*, pp69-72.
[40] NSW Ombudsman, *Annual Report 2004-05*, p70.

On the basis of the above concerns, NCOSS does not believe there is adequate evidence of CityRail service quality improvements for service quality to be the basis for a fare increase.

3.4 Social Impact of Proposed Fare Increases

General Fare Increase (2.9%)

Low income Sydney residents have faced substantial pressure on prices in the 2004-06 period for fuel and utilities costs. Some CityRail passengers who use bus services to access a train service have experienced above CPI fare increases over the last two years in their connections to rail (eg STA users). Although 'fare harmonisation' reduced some fares for privately operated bus services in 2005, the absence of integrated fares (such as TravelPass) across the whole network makes public transportation expensive for some users, particularly where there are multiple transfers across different modes. In addition to consideration of the above issues in relation to efficiencies (see 3.2), NCOSS requests that IPART take into consideration these factors when considering the proposal for a CPI level increase for general fares.

Off Peak Fare Increase (approximately 27.3%)

NCOSS argues that the proposed increase for off peak return fares will impact on low income passengers disproportionately and have serious long term consequences for the social sustainability of rail services in Sydney. NCOSS raises the following concerns:

a. there has been limited data presented to the Tribunal on the characteristics of off-peak return travel in order to fully assess the impacts of a change in the discount levels for these tickets;
b. RailCorp has not presented information to justify their claim that off-peak return fares are out of step with other Australian jurisdictions, are not relevant to Sydney's characteristics as a city, or that there is indeed an equity issue in relation to the discrepancy between peak and off-peak pricing;
c. Railcorp have failed to provide short or long term elasticity estimates for off-peak fares;
d. existing off-peak travelers will include a significant proportion of low income groups such as apprentices, casual and part time workers, unemployed / job seekers and shift workers who have a limited capacity to meet fare increases;
e. off-peak travelers use services not only to access employment, but education, volunteering and services;
f. off-peak pricing serves two functions: namely to encourage patronage during off-peak periods when there is spare capacity, and reduce demand during off peak periods. Railcorp have not demonstrated what the short term effect of raising off peak prices will have on these aims;
g. off-peak demand (direct) may be more price elastic for some commuters,[41] while cross elasticities (related to ticketing products, pricing of other modes, and service quality) and long run elasticities must be taken into account;[42]

[41] IPART, "Estimation of Public Transport Fare Elasticities in the Sydney Region," p32-3.
[42] See T. Litman, "Transit Price Elasticities and Cross-Elasticities," Victoria Transport Policy Institute, 2004.

h. assuming the IPART short term elasticity figure for peak rail travel can be applied to off peak travel, the off peak fare increase would lead to an immediate 7% decline in patronage for these services;
i. it is likely the proposal to increase off peak fares will incentivise the use of private motor vehicle travel in the long term for these journeys, working at cross purposes to Sydney's own social and environmental sustainability goals.

Given the above considerations, NCOSS raises concerns about the financial consequences of the proposal by RailCorp, particularly given the potential patronage impacts over the short and long term, and the possible loss in fare revenue this may generate. No accurate costing has been supplied by RailCorp taking into account the above factors.

4. Conclusion

The long term trend in public transport pricing has been towards significant above inflation price growth, with rail users in Sydney experiencing a higher proportion of growth in prices than that experienced by other modes (including private motor vehicle transport). Over this same period key service quality indicators have not been met by CityRail, with a substantial and unprecedented decline in service quality over the 2003-05 period. In 2005-06 some low income public transport users are likely to have experienced pressure as a result to above CPI fare adjustments to other IPART regulated prices across bus, ferry, energy and water services.

The long term aims of public transport are important to the social sustainability of Sydney, and must be linked to the mission, goals and KPIs of transport operators. Again, NCOSS emphasises the need for better data in relation to low income users, in order to assess the impact of future pricing decisions, particularly if long term price paths are agreed to for public transport fares.

In relation to the 2006 RailCorp fare proposal, NCOSS makes the following recommendations to IPART:

a. under no circumstances is an adjustment to off peak return discounts justified *without* robust data on the potential impacts for low income passengers and patronage in the short and long terms;

b. historical trends in rail pricing and the cumulative effect of pricing decisions across other regulated services must be taken into account when assessing RailCorp's request for a CPI level increase for general fares;

c. if IPART adopts the CPI + 'x' formula for the 2006 rail determination, lack of reported performance in relation to efficiency improvements would suggest that the RailCorp request for a general CPI level fare increase is not justified;

d. available data suggests that general service quality has declined since 2003, while off peak service quality is likely to have significantly declined over the same period.

The future of rail will depend upon its responsiveness to the long term social, economic and environmental challenges presented by Sydney as a city. Proposals for significant fare adjustment must take into account not only short term financial sustainability, but considerations of social and environmental sustainability. NCOSS is not convinced that the 2006 RailCorp submission reflects any strategic objectives for public transport, and fails to integrate with the sustainability goals for Sydney. Certainly change in pricing and funding for public transport is inevitable: but this must reflect careful planning with respect to long term objectives, rather than rapid pricing changes to address short term financial concerns.

1.2 Appendix

1.3 Social Sustainability in Urban Transport

Sustainability is often thought about in economic or environmental terms, yet the concept of social sustainability is less frequently discussed. This is all too apparent in long term planning for urban transport; a reflection of the poor connections between social policy and transport planning processes. The March 2004 Senate Report on Poverty and Hardship is evidence of this: of the 95 recommendations of the final report, there were no recommendations dealing explicitly with transport while only 2 recommendations actually mentioned transport.[i]

However there are very clear links between poor access to transport and poverty. The UK Social Exclusion Unit states that "problems with transport and the location of services contribute to social exclusion by preventing people from participating in work or learning, or accessing healthcare, food shopping and other local activities."[ii] "Transport poverty," "Transport Disadvantage" or "Transport Stress" can be defined as involving difficulties accessing transport – either because of factors of cost, availability of services or poor physical accessibility – which leads to isolation from jobs, health and treatment, as well as social and recreational activity.

Conceivably, barriers to accessing transport can be addressed by better urban planning that takes account of access, mobility and transportation issues. The challenge though, in order to asses any improvements, is that we must be able to understand and assess the performance of existing transport systems.

In March 2005 NCOSS released a discussion paper entitled *Measuring Up: A Framework for Government Social Performance Reporting in NSW*. The discussion paper contained a range of indicators and benchmarks to assess the social performance of the NSW Government over a range of key areas including health, housing, education and transport.

Deciding upon a suitable set of benchmarks and indicators for transport proved challenging, largely because existing data does not give us a complete picture of the characteristics of transport poverty. For example household car ownership is frequently used as an indicator of accessibility, yet it is not possible to gain consistent information on issues of social sustainability or transport poverty from this particular statistic. This is because neither accessibility of public transport nor affordability considerations are taken in to account, and therefore there is little scope to differentiate between the experiences of low income car-owning households in south west Sydney (who lack ready access to public transport and face high transport costs), [iii] and high income car-less households in inner Sydney (who have good levels of accessibility to public transport and relatively low transport costs).

The framework proposed by NCOSS (see Table 1) includes a mix of indicators that test different aspects of the accessibility of transport systems. Typically, low income households can spend over 30% of their weekly budgets on transport costs. The framework NCOSS proposes an expenditure measure, with a long term goal to reduce maximum spending on transport to 20% for working households, and 10% for households relying on income derived from pensions and allowances.

The model is far from perfect, but NCOSS believes if implemented would significantly improve planning for the long term social sustainability of urban transit systems.

Area	Why is it important	Potential benchmark	Primary Indicators	Data Source	Data Development Agenda
Transport	Strong connectivity between home, work and services is an important driver of economic growth and social sustainability. Transport is the key to this connectivity	Maximum 20 percent of net income spent on transport for working people, ten percent for people on fixed incomes or low paid employment.	Transport costs as a proportion of annual income).	ABS incomes data, Household Travel Survey (TDPC)	Expand Household Travel Survey (TDPC) to cover rural and regional NSW
		A reduction in car usage (targets to be established per region)	Share of Trips by Car	Household Travel Survey (TDPC)	
		Closer housing/jobs/ transport match	Average Travel Times to work	Household Travel Survey (TDPC)	Potential role for TDPC
			Distance from home to transport stop	Household Travel Survey (TDPC)	
			Map of jobs, housing and transport		To be developed Metro Metrics Data Project, also Long Island Index as examples
		25% of transport fleet (includes buses and taxis) to be accessible by 2007	Proportion of transport fleet accessible	MOT data, taxi licence data	

Table 1: Transport Benchmarks and Indicators.

[i] Senate Community Affairs Reference Committee, "A Hand Up not a Hand Out: Renewing the Fight Against Poverty," March 2004. Note that there have been some useful contributions recently in an Australian context that have bridged this theoretical gap. See for example Jago Dodson, Brendan Gleeson and Neil Sipe, "Transport Disadvantage and Social Status: A Review of Literature and Methods," Urban Policy Program, Research Monograph No. 5, December 2004. Also see Anne Hurni, "Transport and Social Exclusion in Western Sydney," Presentation. *Getting There: Accessssibility, Transport and Social Sustainability Conference*, Crowne Plaza Parramatta, October 2005.

[ii] Social Exclusion Unit, "Making the Connections: Final Report on Transport and Social Exclusion," Office of the Deputy Prime Minister, February 2003, p9.

[iii] The Victorian Coalition for People's Transport for example indicates that "car ownership costs consume 13 per cent of average incomes, but 28 per cent of the incomes of low-income earners." Victorian Coalition for People's Transport, *The Place to be on PT: A Vision for Greater Melbourne's Transport*, 2004, p5.