



30<sup>th</sup> March 2006

Mr James Cox  
Independent Pricing and Regulatory Tribunal of NSW  
Level 2, 44 Market ST  
SYDNEY NSW 2000  
[transport@ipart.nsw.gov.au](mailto:transport@ipart.nsw.gov.au)

Dear Mr Cox,

RE: Submission to City Rail Fair review

The Newsagents Association of NSW & ACT Ltd is registered in the Industrial Court of NSW as the peak body for some 1400 Newsagents.

We are presenting this submission on behalf of the estimated 600 Newsagents who currently are contracted to sell State Transit Tickets.

Newsagents are arguably the largest ticketing channel for State Transit which includes Bus, Rail and Ferry Tickets and as such forward this submission as a relevant and interested stake holder.

#### Executive Summary

This submission responds to City Rails application for fare increases but also raises matters not covered in that document.

In IPART's 2003 determination a number of issues were identified for future action by City Rail. In one of those issues, IPART wanted to see strategies to boost City Rail passenger numbers particularly in off-peak periods, strategies that appear to be missing from the current city rail submission.

We will put forward ideas for the development of a more customer focused strategic plan to increase passenger volumes with City Rail to produce a more viable alternative for the travelling public particularly out of peak hours.

Given that City Rail attracts only 5% of all travel trips, we will give examples of how City Rail could achieve significant increases in travel trips with a wider sales and distribution strategy for ticketing through newsagencies.

Newsagencies in the Metropolitan areas of Sydney and Newcastle already are an important part of the State Transit ticketing system. Newsagencies are located in highly visible locations in all suburbs and shopping centres and statistics say that 70% of the population visit a newsagency once a month. In an ACP consumer buying behaviour study (2002) 90% say newsagents are local and community focused. Most newsagents are open from 6.00am to 6.30 pm Monday to Friday, Weekends together with public holidays and Thursday night in shopping centres.

We strongly submit that Newsagents throughout the state of NSW are capable, with current technology, of significantly augmenting the public transport ticketing system and providing a great additional service to commuters and to City Rail.

### Main Points

We suggest that the general public are not aware of the discount fares available out of peak periods. (Peak hour travellers also may not be aware).

City Rail needs to increase access to its metropolitan network through a wider channel for the purchase of tickets outside of rail stations.

City Rail needs to address changes in commuters demographics and it's social responsibility to commuters, market a wider reach for customer information on off-peak fare pricing, market bundled ticketing offers with other forms of transport and provide new offers to take advantage of the expected increase in overseas visitors in line with the new visit Australia advertising campaign.

City Rail needs to negotiate more bundled travel offers with State Transit, Private Bus companies (particularly in the west) and Ferry travel.

We agree that a rise in fares is justified to offset rising costs. A rise in the order suggested by City Rail can be carried by the peak hour customer we believe and not damage patronage but we strongly suggest the off-peak fare only be increased by the same percentage, as this is the area we believe City rail should target for growth.

### City Rail Customers

City Rail's submission shows the overwhelming percentage of it's customers who use the system use it for work related business, some 56.6%. The rest are for a range of reasons however, combined this is only 5% of all travel trips.

City Rail's submission shows patronage volumes have stagnated over the last 3 years even though there has been an increase of some 4% in population growth. At the same time average weekly earnings since 2002 have fallen in real terms. These two indicators point to possible cultural change with population growth coming through migrants from a non-English speaking background taking up lower paid work.

We agree with City Rail that the key drivers to future patronage growth should be the current high employment and more recently, fuel prices.

The City Rail submission has an emphasis on providing ticketing only at stations and directing customers to more automatic machines which with any expected increase in patronage will only exacerbate the over crowding that currently occurs particularly in peak times.

By making tickets available through a wider distribution channel such as the Newsagency system would mean a more comfortable approach to the purchase of tickets for customers particularly out of peak hours. City Rail cashflow could be increased by urging a higher percentage of travellers to pre-purchase tickets more conveniently, particularly weekly and concession, away from stations.

The City Rail submission does not address the large proportion of non English speaking background community groups many of which are located in the future growth areas for City Rail of South West and North West Sydney.

This cultural diversity is a feature of the Newsagency system with Newsagency owners from NES backgrounds purchasing businesses following the culture of the district. Newsagents who sell bus and travel pass tickets provide and are expected to know relevant information about the transport system and timetables.

The same could be said if a wider range of City Rail products were made available through the Newsagency channel and people could pre-purchase tickets in a more convenient and informative venue. In the City Rail submission information is available mainly from the liquid crystal displays and on station broadcasts. Not much help if you do not follow the language.

Providing ticketing through the newsagent channel would also suit passengers with special needs such as families with children, luggage etc, student and pensioners and the disabled. These measures suggest an increase in patronage through better informed and more widely accessible ticketing outlets.

Newsagencies are a natural choice to take up City Rail ticketing as a large number already deal with government corporations such as State Transit and NSW Lotteries (83%) where they have proven fiducial responsibility to both organisations.

We are presenting a short submission to IPART here but would be pleased to expand further at your convenience.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G Monks', with a stylized flourish at the end.

Gary Monks  
General Manager