Dear IPART,

City Rail Fare Increase

By stating that "CityRail customers fund around one quarter of the $2.1 billion it costs to operate our services while the rest of the community is paying 69 per cent, this is not a sustainable arrangement for any service" RailCorp CEO Mr Vince Graham appears to be equating City Rail to some kind of private business. He seems to be suggesting that if people are not City Rail customers, they are subsidising a service from which they receive no benefit. I have so far thankfully never needed to avail myself directly of either the fire brigade or the police service. Yet I understand that they provide an important and constant service to me through an increase in my personal safety. Similarly, not everyone may be actually catching a train, but they are still indirectly benefiting from the City Rail service.

RailCorp's submission spends only a single page (page 19) on these "'hidden' costs to society" and does not go into much detail about these advantages. Although the statement that "every 8-car train helps to keep up to 2,000 cars off the road" is made, RailCorp apparently does not consider "greenhouse gas emissions (with flow on benefits for climate change), noise and air pollution, road damage, accidents and congestion" good enough reasons for non-train users in the community to provide as much support as possible to the train system. While a graph comparing different Sydney transport costs is included in the submission, RailCorp makes much of the fact that CityRail currently provides the lowest immediate cost to the user and uses the graph as a justification for raising fares. Little emphasis is placed on the graph's illustration that train use also has the lowest detrimental costs to society.

The concept that "44% of our customers rated the cost of train travel as either good or great value for money" is another point constantly stressed by RailCorp throughout their submission. It uses this as an additional reason that fares should be raised, as well as the fact that "average wages in NSW have increased by 35% but average City Rail fares have only increased by 14%" (page 3). As the submission then goes on to state that "one in three of our customers are students, pensioners or unemployed", I do not see that the average wage should be given nearly so much weight in this argument as this section of society is unlikely to earn anything near the average wage. Considering also that 20 – 25% of lower income earners have no car, compared to 8 – 13% of those with higher incomes (National Passenger Transport Agenda 2006, pg 56), it demonstrates that it is those on the lowest wages who are likely to be depend on train transport.

Moreover, why is it necessary to automatically increase fares just because City Rail customers think that the cost is good value for money? According to the NSW State Plan released in November 2006, the NSW government is also Sydney CBD from 72% to 75%, and increasing the journeys to work in the Sydney metropolitan region by public transport from 22% to 25% by 2016. Surely one of the easiest ways to entice people on to public transport is to keep train fares at a level where people do actually consider them to be good value for money. This is particularly important when it is considered that the submission also states that "22% of train users rated the cost of train travel as 'very poor' or 'poor'" (page 9). An even greater increase in fares would surely provide motivation for at least part of this 22% to stop using train

and discourage many of the 33% who currently consider the cost of train travel to be merely OK. As only 18% of respondents thought train charges were great value for money it hardly seems that most people consider the fares to be cheap enough to justify the reasons asserted by RailCorp for a fare rise.

I am happy to accept a fare rise if the extra money is being used to improve services in some way, such as increasing the numbers of trains or extending the network to encompass new areas of Sydney. But while RailCorp's submission does go into some detail about such works, it is more centred on those completed in the past, rather than specifics about those planned for the future. Surely this should be necessary if they are really genuine in their attempts to use the increased money from fares in "rebuilding and growing the network".

Instead the major justification for the fare rise appears to be because not enough of City Rail's income is recouped from those who catch trains. As is stated in the National Passenger Transport Agenda 2006 "The irrefutable benefits of an effective public transport system go beyond economic considerations alone. Benefits for the community and the environment affect our very way of life" (pg iii). Surely those who use public transport should be supported by only paying minimal costs rather than trying to be almost equated with car users.

Yours sincerely,

K. Bird