



## COMBINED PENSIONERS AND SUPERANNUANTS ASSOCIATION OF NEW SOUTH WALES INC.

Founded 1931.

Serving pensioners of all ages, superannuants and low-income retirees.

*Consumer Protection Awards – 2002, 2003, 2004*

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# SUBMISSION

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15 August 2005

**Our Ref: GSP.100**  
**ITP.005**

## **IPART Review of Bus and Ferry Fares**

## Introduction

Combined Pensioners and Superannuants Association of NSW Inc (CPSA) is a non-profit, non-party political membership based organisation serving the interests of pensioners of all ages, superannuants and low-income retirees. It has approximately 140 branches and affiliated organisations with a combined membership of over 15,500 throughout NSW. CPSA serves the interests of its membership and broader constituency at the local, state and federal levels.

CPSA's members and the wider constituency the association serves include older people, sole parents, people with disabilities and their carers. They have a great interest in the viability and improvement of public transport in NSW including bus and ferry services.

Pensioners, low-income retirees and NSW Seniors Cardholders are entitled to the Pensioner Excursion Ticket (PET) and therefore exempt from general fare rises. However, the price of this concession is now linked to CPI. Currently it is \$2.50 on buses and ferries in the Greater Metropolitan Area. It is likely to go up in line with any general fare increase which previously wasn't the case. In addition, often a half fare concession is more economical for concession card holders travelling short distances than buying the PET. This means that fare rises have a direct impact on our own constituency. CPSA does not want to see this entitlement made less economical. Moreover, CPSA understands the needs of lower paid non-concession card holders such as workers on the minimum wage. They often have no alternative but to use public transport because they cannot afford to maintain a car.

Public transport should be considered an essential service and integral to the economy and social fabric of NSW. However, according to the Productivity Commission:

"In 2002-03, Australian governments spent over \$11 billion on transport services...States and Territories are the main provider [sic] of funding, with transport representing 12 per cent of total State expenditure (or about 1.1 per cent of GDP). Funding for roads is the biggest component, comprising two thirds of total transport expenditure."<sup>1</sup>

In other words, transport expenditure appears to be allocated in favour of private vehicle usage. This is problematic for several reasons:

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<sup>1</sup> Productivity Commission, *Economic implications of an ageing Australia*, Commonwealth of Australia, Canberra, 2005, p. 231.

- Induced traffic growth, identified by Zeibots<sup>2</sup> and others, means the efficiency of new freeway systems is soon negated;
- More cars on the road means more exhaust emissions;
- The death toll from car accidents dwarves those caused by trains, buses or ferries in any single year. For instance, in 2004, 32 people died in bus crashes in Australia compared with 1,598 road fatalities overall.<sup>3</sup>

As CPSA exists to promote the welfare of pensioners, superannuants and low-income retirees, the last point cannot be emphasised strongly enough. Although the road toll has fallen each year since 2000<sup>4</sup>, the figures are still shockingly high. This is not only a tragedy but a terrible waste of human potential. Public transport including buses and ferries (not to mention trains) is clearly a much safer way to travel.

Public transport, including bus and ferry services, is also efficient because it is inclusive. Some groups of people with disabilities such as blind people or those with severe epilepsy are unable to drive. However, they can be catered for by public transport. “Kneeling” buses are now becoming more common and are not only useful in that they are wheelchair accessible, they are easier for frail older people or people carrying children. Therefore, any pricing structure must take into account the fact that some people in the community rely on public transport as their only transport option.

Many older people are still able to drive. In fact, it is their preferred transport mode:

“In the Greater Metropolitan Region private vehicles were the most common form of transport for both older men (70%) and women (62%). Men were more likely to be drivers (62%) than older women (31%).”<sup>5</sup>

The Productivity Commission has researched why this is the case:

“The reasons for this situation are likely to be many, ranging from older people being concerned about personal safety on public transport to having strong preferences for more personal forms of transport that cater better to their needs and attributes...”<sup>6</sup>

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<sup>2</sup> M Zeibots, ‘Before and after Sydney’s M4 motorway: did it make the city more sustainable?’ *Proceedings of the State of Australian Cities National Conference 2003*.

<sup>3</sup> Australian Transport Safety Bureau, *Road deaths Australia 2004 statistical summary*, Australian Government, Canberra, 2005, p. 1.

<sup>4</sup> Ibid.

<sup>5</sup> Australian Bureau of Statistics, *Older people New South Wales*, cat. no. 4108, ABS & DADHC, Canberra, 2004, p. 40.

<sup>6</sup> Op. Cit., p. 233.

CPSA supports individual choices in regard to transport. Nonetheless, it is important to look at how choice is constructed. People in regional and remote NSW choose private vehicles over buses or trains because the latter two services simply don't exist. Others find the cost and quality of public transport is outweighed by the convenience of driving. Some older people can no longer drive because of age-related impairments such as macular degeneration. These groups of people need a public transport system and a relatively inexpensive fare system so they have real choice when it comes to travel. In this regard, the concept of 'relatively inexpensive' can't be emphasised enough. In NSW, as of June 2003, 611,900 people and 72,000 people received income support via the Age Pension and service pensions respectively.<sup>7</sup> In 2002, 141,500 were on Single-Parent Payment and 217,100 people were the Disability Support Pension in NSW.<sup>8</sup> This is a large proportion of the NSW population needed affordable public transport. And these figures don't include those on unemployment benefits or low-paid wage earners. A steep increase in fares, taking with it an increase in the PET will severely disadvantage the many people on income support who rely on buses, ferries and other public transport options.

Finally, CPSA would like to see a fare structure that encourages the use of public transport. If more people use public transport then it can be maintained as a quality service which will benefit everyone including the constituency the association serves. But more people will use it only when it becomes a more attractive transport option with an affordable fare structure.

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<sup>7</sup> Op. Cit., p. 34.

<sup>8</sup> <http://www.abs.gov.au/Ausstats/abs@.nsf/0/BEEEEE2E40EE5EDACA256D39001BC357?Open>