

# Action for Public Transport (NSW)

PO Box K606  
Haymarket NSW 1240  
<http://www.aptnsw.org.au>

10th October 2007

James P. Cox  
Chief Executive Officer  
Independent Pricing and Regulatory Tribunal of New South Wales  
Level 2, 44 Market St, Sydney NSW 2000  
PO Box Q290, QVB Post Office NSW 1230  
[transport@ipart.nsw.gov.au](mailto:transport@ipart.nsw.gov.au)

Dear Mr Cox,

## **Review of Bus Fares**

Herewith is the submission from Action for Public Transport (APT) to your review of the fares proposed to be charged by bus operators in the Greater Sydney Area from January 2008.

### **Executive Summary**

As stated in our media release earlier this month, Action for Public Transport gives the proposal from the Ministry of Transport (MoT) our cautious support, based on the following factors:

- (a) the proposed increases in Sydney metropolitan fares of around six percent are reasonable;
- (b) similar proposed increases in State Transit's Newcastle time-based fares are reasonable;
- (c) reduced fares are proposed for most Outer Metropolitan services;
- (d) all fares over a very large area will be harmonised;
- (e) there will be no reduction of discounts, ticket types, ticket availability or loss of any other user amenity. On the other hand, there will be no extension of any benefit either;
- (f) the fares can easily be rounded to even dollars to reduce the handling of coin by drivers;
- (g) the Ministry's case for increased funds for operating and capital expenses is valid;
- (h) tangible benefits have been provided to bus passengers during the past year;
- (i) more improvements are planned, and we confidently expect them to be delivered;
- (j) complaints about service quality are not unacceptably high. Such glitches will occur in any large system. APT believes that the operators are managing them appropriately.

## **The Proposed New fares**

The Ministry proposes to increase all metropolitan bus fares and Newcastle STA fares by six percent. This increase has been applied to a master fare scale. Because the new master fares are rounded up or down, the actual ticket price increases are in a range around 6%. Over several years these fluctuations even out.

The increases for single fares and TravelTens range between 5.1% and 6.9%. The 1-2 section single fare was not increased in January 2007, so the proposed increase of 5.9% should be averaged over two years. A table of metropolitan fares is given at Attachment "A".

In Newcastle, an STA 1-hour ticket will increase from \$2.90 to \$3.10, a 4-hour ticket from \$5.70 to \$6.00, a TimeTen 1-hour ticket from \$24.00 to \$25.40, an All Day ticket from \$8.70 to \$9.20, and a Stockton Ferry ticket from \$2.10 to \$2.30. These increases are all in the range of five to seven percent. The ferry ticket increase is 9.5%, a result of the vagaries of price rounding.

The proposed increases in the Bus/Ferry TravelPasses range from 3.2% to 5.8%. The price of the BusTripper, if you can find one, goes from \$11.70 to \$12.40, an increase of 6.1%.

The prices of TravelPass tickets with rail content and DayTrippers will probably increase with the CityRail fare rises, and will not be further increased with the bus fare decision.

## **Harmonisation of Outer Metropolitan Fares**

In 2005, private bus fares in Sydney were 'harmonised' with State Transit fares, resulting in higher fares for the very short distance trips, but a reduction for most travellers. In 2008 the harmonisation process will extend to the Outer Metropolitan areas – the Illawarra, Blue Mountains, Central Coast and Newcastle (but not STA Newcastle services). Again, a few short distance fares will increase but most trips will be cheaper, some by upwards of 20, 30 or 40%.

APT supports this harmonisation of fares in the region, not just because it brings equity to all passengers, but because it paves the way for multi-modal zone fares.

## **Other Ticket Benefits**

The Ministry's proposal retains the level of TravelTen discounts at 20%. On the other hand, there has been no effort to extend the TravelTen discounts to private buses.

There is no plan to reduce the discounts for season TravelPasses – that is, the discount for quarterly or yearly tickets over weekly ones. Note that there is no such thing as a discount on a weekly TravelPass. The weekly TravelPass is sold as a distinct product, and its price is not the sum of some imaginary basket of single trips.

There is no proposal to change the TravelPass zones, for better or for worse, or to provide more customers with the benefits of some type of multi-modal zone ticket.

It is disappointing to note the Ministry's "too hard" attitude in its submission:

*2.5.5 Provision of Multi-trip and Multi-modal tickets for private bus passengers:  
The Tcard system, currently under development, is being designed to address the provision of multi-trip and multi-modal fares for private bus services. Although Tcard is yet to be delivered,*

*the NSW Government does not believe it would be cost effective to provide an alternate system to Tcard prior to its introduction.*

### **“Even Dollar” Single Fares**

The new single fares suggested by the MoT are \$1.80, \$3.10, \$4.10, \$4.90 and \$5.90.

A suggestion for “even dollar” fares has been made in a submission from Les Garam, already posted on the IPART web site, and APT supports further consideration of this proposal. Mr Garam says “While the proposed bus fare increases are not good news a bit of commonsense would greatly increase the efficiency of cash ticket sales. ....

“The Ministry’s price recommendation will greatly increase for the drivers and the public the need to carry coins.....

“Buses are for transportation, not for mobile banking services.”

A similar suggestion has come from a Newcastle resident concerning the local one-hour fare.

Because four of the five proposed new fares are only 10 cents either side of an even dollar and the other is 20 cents off a dollar, now is an ideal time to introduce "even dollar" fares. When you think about it, \$3.10 and \$4.90 are absurd prices for cash bus fares.

See Attachment “B” for tables of the Ministry’s proposed single fares, and a suggested alternative where the single fares are rounded up or down to even dollars.

Another suggestion was to round the fares to the nearest 50 cents. This, in fact, has been done in this case. The nearest 50 cents was a dollar in each of the five bands.

Fares in the lowest band were not increased in January 2007, so the 18% increase should be seen as 9% a year over two years. If the master fare scale is retained (and honoured) the fare might not increase again in the next review. Most people who pay cash fares for this band are infrequent users, and a rise of 10, 20 or 30 cents is neither here nor there to them. They pay what the driver asks. Frequent travellers, if they balk at a \$2.00 fare, will soon learn to use a TravelTen.

As for the impact on revenue, we would think that the pluses, especially on the popular short distance trips, would adequately cover any income forgone on bands two and three.

TravelTen prices should stay at the figure proposed by the MoT. While this will return the Blue TravelTen to an “excessive discount”, so abhorred by the Ministry, it might encourage more people to buy pre-paid tickets. Discounts on other TravelTens would stay in the range 17 – 22%.

We suggest that IPART look past the niceties of standard percentages and discounts and relativities, and take a ride in the real world on a bus during the school holidays.

In our estimation, a change to “even dollar” fares:

- will have little or no effect on patronage
- will have little or no effect on revenue
- will relieve bus drivers, depot staff, etc, of much coin handling
- will speed up bus boardings.

We don’t want to know why it can’t be done. We want to know when it will be done.

## **Operating and Capital Expenditure**

APT accepts that fuel, wages and other costs have increased and that funds are required to continue the program of capital investment.

## **Service Improvements**

The Ministry's submission mentions improvements delivered - integrated networks, strategic corridors, the North-West Transitway, bus priority, Pre-Pay Only buses and new vehicles. APT acknowledges the way that many agencies have co-operated in these projects, including the State Transit Authority, the Bus & Coach Association, the Ministry of Transport, municipal councils, unions, and even the Roads and Traffic Authority (RTA). We look forward to more of the same.

Bus priority has marginally improved bus services but the RTA has been a reluctant participant. Sydney's bus services would have improved much sooner had not the powerful RTA vetoed bus priority whenever it threatened to impact on the free flow of general traffic.

## **Key Performance Indicators (KPIs)**

APT has no problems with the KPI's mentioned, but offers some further points for consideration.

The 131500 infoline is open only from 6.00 am to 10.00 pm seven days a week. We believe that in a "global city", the line should be open 24 hours a day. We appreciate that computer access is available at all times, but most people don't carry a computer around with them all the time (not yet, anyway).

The kiosk at Railway Square remains an STA-only, 9-to-5, Monday-to-Friday, closed-for-lunch office that still doesn't sell tickets.

Translink buses in Brisbane have a "drive-past" KPI. Drive-past statistics reflect the number of times bus drivers radio to the control room to request permission to pick up no more passengers because the bus is full. We realise that there are many "ifs and buts" attached to this, but we request that the idea be examined for possible implementation in Sydney.

## **Tcard and Zone Fares**

Tcard (or any smartcard) and Integrated Fares are not the same thing. One is a fare payment method and the other is a fare charging method. They can work together or each can exist without the other. Hong Kong has a smartcard (Octopus) but no integrated fares. Each trip is charged separately. Brisbane has had an integrated zone fare system for a few years but the smart card is only in the pilot stage. Melbourne has zone fares and the Metcard together.

A multi-modal zone ticket (with or without a smartcard) gives a customer a high level of convenience and flexibility. If it is correctly priced, a zone ticket can increase patronage and revenue, and remove some cars from the roads.

## **Rural and Regional Fares**

Our knowledge of this subject is very limited, and we offer no comments.

**Conclusion**

It may seem strange that APT has endorsed the Ministry's proposal for bus fare increases while rejecting CityRail's request for similar increases.

One reason is the goal of fare harmonisation for buses. Many bus fares outside Sydney will be reduced to achieve region-wide standard fares. Standard fares would be an integral part of a zone fare system. A second reason is the perception that bus users get better and quicker improvements for their dollar than do rail users. This may be an unfortunate perception, because rail improvements are often longer term and less visible. However, bus users have seen things happen while rail schemes, as the Sydney Morning Herald put it, "move rapidly from the future to the past without ever arriving in the present".

Please telephone me on 9516 1906 if you require any further information.

Yours faithfully,

Allan Miles  
Secretary  
Action for Public Transport (NSW)

## ATTACHMENT "A"

## MoT's PROPOSED METROPOLITAN BUS FARES FROM JANUARY 2008

## Single fares

Type	Old	Increase	New	Percent	
1-2 sections	1.70	0.10	1.80	5.9	*
3-5 sections	2.90	0.20	3.10	6.9	
6-9 sections	3.90	0.20	4.10	5.1	
10-15 sections	4.60	0.30	4.90	6.5	
16+ sections	5.60	0.30	5.90	5.3	

\* This band did not increase in January 2007, so the 5.9% increase is over two years.

## TravelTens

Type	Old	Increase	New	Percent	Discount
1-2 sections Blue	13.60	0.80	14.40	5.9	20.0%
3-5 sections Brown	23.20	1.60	24.80	6.9	20.0%
6-9 sections Red	31.20	1.60	32.80	5.1	20.0%
10-15 sections Green	36.80	2.40	39.20	6.5	20.0%
16+ sections Orange	44.80	2.40	47.20	5.3	20.0%

## TravelPasses (Bus/Ferry only)

Type	Old	Increase	New	Percent	
Blue	31.00	1.00	32.00	3.2	
Orange	38.00	2.00	40.00	5.3	
Pittwater	53.00	2.00	55.00	3.8	
2-Zone	31.00	1.00	32.00	3.2	

## BusTripper

Type	Old	Increase	New	Percent	
BusTripper	11.70	0.70	12.40	6.1	

T-way 10                                      Increases of around 6% for different bands  
T-way BusPlus weekly                      Increases of around 6% for different bands  
T-way weekly                                    Increases of around 6% for different bands

DayTripper                                      To increase in CityRail determination Oct 2007  
Red, Green, Yellow, Pink, Purple TravelPasses    To increase in CityRail determination Oct 2007

**ATTACHMENT "B"**

**ANALYSIS OF "EVEN DOLLAR" AMOUNTS FOR SINGLE CASH FARES**

**MoT's PROPOSED METROPOLITAN BUS FARES FROM JANUARY 2008**

Single fares

Type	Current	Increase	New	Percent Increase	
1-2 sections *	1.70	0.10	1.80	5.9	
3-5 sections	2.90	0.20	3.10	6.9	
6-9 sections	3.90	0.20	4.10	5.1	
10-15 sections	4.60	0.30	4.90	6.5	
16+ sections	5.60	0.30	5.90	5.3	

\* This band did not increase in January 2007, so the 5.9% increase is over two years.

**SUGGESTED METROPOLITAN BUS FARES FROM JANUARY 2008  
WITH FARES ROUNDED UP OR DOWN TO EVEN DOLLARS**

Single fares

Type	Current	Increase	New	Percent Increase	Change to MoT proposal
1-2 sections *	1.70	0.30	2.00	17.6	Up 20 cents
3-5 sections	2.90	0.10	3.00	3.4	Down 10 cents
6-9 sections	3.90	0.10	4.00	2.6	Down 10 cents
10-15 sections	4.60	0.40	5.00	8.7	Up 10 cents
16+ sections	5.60	0.30	6.00	5.4	Up 10 cents

\* This band did not increase in January 2007, so the 17.6% increase is over two years.

TravelTens

Type	Proposed "even dollar" single fare	x10	MoT's Proposed New T/Ten	Discount Dollars	Discount Percent
1-2 sections Blue	\$2.00	20.00	14.40	5.60	28.0%
3-5 sections Brown	\$3.00	30.00	24.80	5.20	17.3%
6-9 sections Red	\$4.00	40.00	32.80	7.20	18.0%
10-15 sections Green	\$5.00	50.00	39.20	10.80	21.6%
16+ sections Orange	\$6.00	60.00	47.20	12.80	21.3%