

Submission to IPART

Review of Cityrail fares.

23 Oct 2008

To whom it may concern,

I am writing to you in regards to the proposed price increases by Cityrail and hereby present my submission. I believe the fare increase is unjustifiable for a number of reasons, however mainly due to the impact on my personal situation, and believe that this position would also be similar to other commuters.

A proposed increase to my weekly fare of 18% would start to cause financial burden to my current situation. My wage has not increased this year, and CPI is currently at 5% with the ABS commenting, "...this is the largest annual change since December quarter 1995, excluding the period associated with the introduction of the GST," (ABS media release, 22/10/2008). A further increase in rail fares of 18% to weekly tickets will further increase my overall living expenses and cause financial burden.

**Cityrail's 18% increase in fares is unjustifiable when CPI is at 5%.**

Another factor to consider is the current economic climate and the impact of this in future growth both to the economy and wage household incomes. A recent study by Dun & Brandstreet, (Oct 2008) has revealed that, "... it appears that white collar households will pay down their debt, while low income and blue collar households have significant expectations for increase debt levels and missed bill payments." (D&B Insight, October 2008).

**With increasing financial burdens, a proposed 18% will cause households to become financially unsustainable.**

It is not the responsibility of commuters for cover to Cityrail's increased expenses. Cityrail should be looking at cost cutting measures to reduce fare increases to commuters. Patronage has risen by over 4% (Cityrail website). With a rail systems most operating systems are fixed costs, therefore Cityrail's revenue should be increasing with the increased patronage.

With increased patronage, and increased revenue, with most operating costs fixed, an increase in 18% fares is unjustifiable when Cityrail's revenue is increasing as a result of increased patronage.

I'd also like to point out that fares in other cities in Australia are lower than those that of Sydney. Melbourne's new fares from 1/1/09 for a comparable ticket will cost \$28, with the value add of unlimited train, tram and bus travel. (zone 1 travel), Brisbane \$27.20, (zone 3), Perth \$21.70, (zone 4).

With Cityrail charging the most for a comparable rail service to other Australian cities, an 18% increase in fares is unjustifiable.

I make this submission because I DO NOT support Cityrail's application for an increase in fares. I believe that it will cause myself increased financial hardship. I am happy to present further information to support this case.

