

Blue Mountains Commuter & Transport Users Assoc.Inc.
Ref. IPART Submission March 08.
Date 21st March 08

To Mr.James Cox.
CEO
Chairman
Independent Pricing and Regulatory Tribunal.

Dear Sir.

Please find attached the Association's submission to the Review of CityRail Regulation.

As I wish to meet the closing date of submission, I would like to seek your indulgence to allow me to review the submission for corrections that I may find necessary after I review the submission over the weekend.

I think I have covered all issues raised this most important document and we look forward to seeing other submissions and the other Reviews that IPART has requested.

Yours faithfully
Paul Trevaskis Hon.Sect.

Blue Mountains Commuter & Transport Users Assoc.Inc.
Ref IPART Issues Paper on Regulatory Framework.
Date 6th Feb.08

To Mr James Cox
CEO
Independent Pricing & Regulatory Tribunal
Level 2 Market Street Sydney NSW 2000

[Submission to the Review of CityRail Regulatory Framework](#)

Dear Sir.

We understand that the aim is “To undertake a review and recommend a regulatory framework that will provide a regulatory framework that will provide CityRail with better incentives to provide passenger rail services at efficient cost levels On behalf of members I thank the Executive and Staff in producing an all embracing document as it was our I hope we can present this submission that is worthy of acceptance by IPART we are endeavouring to be realistic and thought provoking on such an important Document

[CityRail’s Legislative Framework.](#)

No doubt, there has to be a Transport Administration Act also the State Owned Corporation Act but why each year a Statement of Corporation Intent and a Rail Performance Agreement is required. Is it possible that on Election of the Government the approach is to formulate an agreement that reflects the policy of the Elected Government? This should include a Customer Charter that reflects the Performance Standards the Government is setting in relation to the policy of the Government and what the Government is prepared to Fund (We believe the policies of the Government are usually costed by Treasury before the Election.

What is quite pronounced is number of agencies Fig 3.1 that places on Rail Corp the responsibility to develop a system than indicates compliance to the demands and wishes of the agencies

The Question is there a costing mechanism that shows management costs of CityRail that must be incurred that CityRail has to account for this is beside other responsibilities such as

1. The Health & Safety Act (Duty of Care).
2. The Access and Disability Act.
3. The Union Agreements
4. The Liaison with Local Councils and RTA
5. The Issues does not touch on RailCorp Asset Management E.G Infrastructure Overhead Wiring, Track, points etc.

The Association suggests that the Overhead Cost Component that comes from all of the aforementioned Acts and the requirements as stated in the first paragraph should be reflected in the Annual Report.

We have sympathy for the Management of RailCorp for the duress of having to account for the above management responsibilities we ask the question “Has the Government developed a mistrust of the management of the railway system for various reasons the main one being any failures of the system becomes an embarrassment to the Governments so More controls are implemented rather than concentrating on the physical aspects of it.

Over 2

Issues Paper IPART.

(2)

Comparison with other Rail Operations.

We agree that it is difficult to compare CityRail Operations e.g. Connex when we are not sure what the Regulatory Framework they work perhaps Queensland Rail may be another System that we could compare with. (**Have we created a monster for RailCorp?**)

It would be of interest to establish what costs are incurred by RailCorp complying data for reports to Government versus Connex responsibility reporting mechanism.

[NSW Government policy that relates to CityRail.](#)

The Association suggests the Ministry of Transport should produce Memoranda of Understanding with RailCorp that gives RailCorp clear direction that reflects the policy of the Government this should be arranged immediately after the Election One Document should suffice

The question ref page 24:

How should the NSW Government public transport policies in the regulatory framework? The funding of the projects mentioned T card Expansion of System etc as these projects are the enhancement of the rail network that provides the means of travel alternate to the road network for the Public to use; the costs should be part of the general Government Financial Commitments.

[Costs and cost efficiency.](#)

The Association looks forward to the Consultant's Report on the Total Cost Review the Association suggests that the Review include the costs of consultants We request this as we feel RailCorp should have staff that have the ability to develop and introduce new systems of management within RailCorp Perhaps the heavy reliance on consultants reduces the efficiency of the system. There may be occasions on specific projects some consultancy is a benefit but Managers must have the ability to judge and make decisions.

Comparison with Victoria namely Connex

There appears to be a simpler approach if RailCorp was to operate under this regime perhaps the overhead costs would be reduced and the concentration on the actual operation would be more beneficial to the Commuter it may demonstrate that a Government Operated System can be as efficient as a private

I have found the Flow Chart was of interest as it demonstrates a system of management that is to say the least an overkill and a Government has crippled itself to a degree with Departments which must cause division of thought and practices that makes it hard to deliver to the Community a Transport System becomes clogged. .

Comments re page 23

Once again we see various plans that should be one document it appears the government wants to appear to be doing something we suggest there should be targets to increase patronage and the Government to assist with funding to allow projects that increase use of same

Over 3

(3)

Comment re Page 24

The cost of public transport policies as announced by the politicians could be part of a fare rise if the result of the policy was to be an enhancement of the system not just an improvement of the operation of the existing system.

Comment re List of Infrastructure Strategies this should be fully funded and managed efficiently any losses not by commuters.

The Association notes on page 27 that IPART has engaged a Consultant undertake a total cost review we support this approach as seek confirmation that the report will be available to those who submit to this Review

IPART seeks comment: Distinguish between suburban, intercity and regional services.

The system is changing with the growth centres being established travel patterns indicate the use of the system is changing e.g Blue Mountains –Penrith or Parramatta , Wollongong - Thirroul Intercity cars are used on these services. The need for a Concept Design study for Zonal Fares is required to address this issues we seek consultation on this issue.

Operating Costs.

The tendency for CityRail to restructure many times in last few years.

Changes of areas of responsibility, length of time involved in calling for applications interviews and thus affecting the moral, this exercise must entail costs that should be part of the annual report.

The Association has witnessed large expenditure on the Tunnels at Lithgow other failures such as T card Expenditure by CityRail. Losses through mismanagement must be identified. The Air Port Link is one of grave concern.

The Air Port Link \$800 million cost to Government is an example of mismanagement.

We are pleased that the Consultant will review Pages 31- 32- 33.

Cost of the Level of Service.

Capital Costs immediate and the next five years. (These costs should be funded by State Treasury with Maintenance Costs to be discussed further)

Cost efficiency. Page 34- 35.

The last paragraph we agree that there should be a detailed costing of the government service requirements as society is demanding more security, detailed information, disability access station and carriage accommodation, commuter car parking, and other services apart from running trains

The question should commuters pay by fare box or a Government Subsidy.

The RTA on the Mountains pays for widening of the Highway maintenance and any other improvements paid for by Government through various taxes.

There would have to be similar service standards, service requirements as laid down by the Government Policy directions. Apples with Apples. **Subject to Cost Review noted**

Over page 4.

(4)

The question what percentage of the costs should the Rail Customer pay is an interesting one, the Government saying the tax payer should not subsidise the Rail User is flawed in that there are many Government Authorities that are funded by Treasury that are not directly used by all of the general public but part of the whole State

Maybe the cost of fare should fund the management structure that ensures the efficient financial management i.e Financial System of RailCorp in accordance with Government policy Customer Charter thus preventing the losses occurring as demonstrated at ICAC Inquiry, T card, Air Port Link. losses so far appear more the fare box revenue

There is another aspect is the ticketing process gathers information that ensures services that meets the Public needs with the added advantage of reducing road congestion pollution etc.

Service Standards.

On Time Running

The Association was not pleased with the approach by RailCorp to increase the standard of on-time running from 3.59 minutes to 5 minutes (Intercity was changed from 5 minutes 59 secs to 6 minutes marginal)

We learnt at a recent meeting that IPART arranged, the system operate on a three minute head way i.e up to 20 trains per hour maximum If we have a standard of six minutes delay then hour can the system provide 20 trains per hour it would be more likely that we are looking at a reduction in services. **IPART should question RailCorp this factor**

London Transport has trains operating on 28 trains per hour. I can provide evidence later

The question is before we set a standard we must ascertain what can the infrastructure deliver in relation to the type of train, signalling, dwell times at stations, customer behaviour We suggest IPART visit Wynyard and Town Hall unobserved if possible and see the behaviour of the commuters and how slow the service is between these stations and Central then the achievable standard can be quantified

The Association policy is for three minute as the target with a six-minute interconnection with other trains may be possible...

On Time Running

On-time running is dependent on the capacity of the infrastructure The Association has endeavoured to influence the Government that the capacity of the system has been reached this has been illustrated by the use of Intercity services by altering the stopping patterns there has been no significant increase in the capacity of the rail system for some years even at this time to overcome this problem on the Western Line changes to the Western Timetable by terminating 3 services at Blacktown because of congestion between St Marys and Penrith (Penrith Press 22/1/08 This change was done to improve on-time running as fast services are being delayed by slower services.

The Association was not amused when the Government Policy was virtually concentrating on Peak Hour services and services out side the peaks weekends etc were not important.

It should be a 24 hour service 7 day a week service Over 5

(5)

Lack of Service Standards during Upgrading

The Association also expects that there should be service standards sets for rail and bus services during Upgrading Services

The Community does indicate by not using the rail/bus service on weekends extended journey times are off putting also interconnections are impossible.

There are improvements when direct services are implemented but this should not be altered at the behest of Bus Marshalls when an individual person complains.

E.G Parramatta – Penrith not altered to Parramatta- Blacktown- Penrith.

**These standards to cover Information to public, connections for efficient transfer between rail and bus, covers at major interchange others to be considered
IPART Issue paper on Regulatory Framework**

I note that ITSRR has highlighted on page 41 last paragraph the aspects of service that are not covered under the Rail Performance Agreement ,State Plan or CityRail Customer Service commitment. We agree with ITSRR on this issue.

On page 42 the comment regarding the preference for frequency over punctuality reflects the community indicating that with greater frequency thus less time between train services We agree Experience in the 40s and 50s using the system in the Metropolitan service we did not worry about a timetable on the Inner Metro Line as we had a 15 minute service around the loop Central- Bankstown - Lidcombe - Ashfield – Town Hall.
We new that the Hornsby Line has a half hour service. Interconnection at Sydenham from Canterbury was carried out with no timetable.

Percentage of services on-time page 43

The Association Members have indicated that as stated before the requirement is for 24-hour service measured at platform arrival at destination and a mid point of journey.

The statement that internationally the tolerance is 5 minutes we cannot see how that this applies when we have services are operating every 3 minutes.

The Association suggests that On-Time Running should be at Central Platform, mid journey Station and at destination Station

Questions on page 45 Seek comments.

Answer to 6. Service standards that ensures the customer on arrival at the local station the Customer has the confidence / expectation he / she will have clean station all Facilities will be working, ticketing, information, staff, train arrival on time
The train will be clean,comfortable, information systems working and train arrives on time at destination at the expected time.

Answer to 7 There is no doubt in the customer mind the trains will run to timetable.

Answer to 8 There are not many travellers that understand weights, they may Misconstrue that Railcorp is endeavouring to confuse the traveller they expect to provide a service consistently and overcome the problems of safety-overcrowding information issues contd.

Over 6

(6)

Answer 8 The members are very critical that RailCorp slowed the service down to
Contd. Improve On-Time Running, introduction of dwell times etc.

Answer to 9 At the Waterfall Inquiry RailCorp was able to inform the inquiry the exact
Times of all the trains in the period before the Accident also it was at the
Glenbrook Inquiry there was a similar situation. At the Waterfall inquiry
The accuracy of the clocks used in the system was given the Inquiry
Perhaps IPART should ask the question of RailCorp and ensure the data
Is collected on all services on 24-hour basis.

Questions on page 47

Answer to 10. RailCorp service performance must be meeting the standards of service
That have set down the Customer Charter and the Agreement with the
Government of the day.

Answer to 11. The Blue Mnts service did have a 3% surcharge in the 90s as it was
acknowledged we has a better service than others the charge was
absorbed over the years and the standard to an extent has been lowered.

The Association is not in favour of penalties, as it will have the following effect.

- A. Reduce the funds to provide the service
- B. There could be a temptation for managers make a risk assessment on whether
there could be a failure that would incur a compensation thus the investment may
Not be made or an improvement introduced so RailCorp would rather incur the odd
Compensation

Comments re page 49.

The Association would like to know what is the ratio of Operational Staff to Management
and costs of operational staff to management staff employed in office functions.

We understand that a large portion of the fleet is not owned by RailCorp but leased from
Citibank The Association would like to know what cost of leasing the fleet when the fleet
is aging thus the maintenance costs must increase IsRailCorp paying the lessor on the basis
of replacement cost or depreciation costs.?

Comments re page 51.

The Association understands there is to be a review of concessions the Ministry should be
requested to finalise this review.

The \$2.50 fare covering the whole system e.g Gresford to Lithgow or other destination has
been raised at recent IPART fare Inquiry whether it is too cheap.

There are many who are economically disadvantaged and thus are not able to travel as
much and should be considered.

Over 7

(7)

The Association's opinion that any fare increase now is not acceptable until RailCorp can demonstrate that most of the known deficiencies have been corrected such as

- The ICAC Inquiry has revealed deficiencies in accounting and auditing procedures that has cost the taxpayer substantial amount of funds. (We wait on the Report).
- The cost to the taxpayer the AirPort Link where the Government was obliged to pay the Air Port Link Company for the inability of RailCorp to ensure reliability of services.
- The Costs that RailCorp incurred during the last seven years on the T Card project.
- The Association has observed that CityRail installed Monitors on stations that were not satisfactory and subsequently had to be replaced. There appears to be no system that monitors purchase of equipment that are not satisfactory This was highlighted in the Waterfall Inquiry where it was known that the Foot Pedal on the Tangara is not satisfactory.(The Association urges that Equipment failures should be noted and costed in annual reports)
- The Association has over long periods complained about air conditioning, water leakages toilets and other water damage to carriages, audio systems not audible It took considerable time to address these issues, costs must rise if efficient Maintenance Systems are not in place.
- The Lithgow Tunnels project is one that should be looked at as precious reconstruction was not adequate for the are thus costing more funds We suggest that The Asset Infrastructure appears to isolated and we a re not sure that efficient management of the infrastructure is carried out We suggest that a report from this Division that supplies the Infrastructure should be present at the hearings as we need both Divisions to be transparent.
They do good work then why are we not hearing from them.

Equity Issues .

The thinking of CityRail that the majority of the Commuters are in the Higher Income strand May we suggest that this reflects the CityRail placing the accent on Peak Hour Services this does not take into account of the population on lower incomes whose wages are up to half the Higher Income population.

The Association has the opinion "There appears to be "No current requirement under legislation framework for CityRail management to increase patronage by improving services, the only requirement is to move the traffic offering efficiently"

This means CityRail to entice all members of the Community to use the system on 24-hour basis rather than look at daily commuters in isolation. Permanent Part Time and Casual Workers are more likely for Off Peak services both ways and one way.

Over 8

Social Benefits Page 54-55

We suggest the following 'If the rail system was closed down and we had to journey without the system the dislocation to society would be catastrophic

We see there are times of low patronage in the late night services This can be overcome with Nightrider services but services could be with smaller trains e.g Four Cars or Two Car Consists could be provided RailCorp took out this opportunity by removing some Driver Control Cars from both Suburban and Intercity. Cars

We note when late night services were removed from Blue Mountains Services because of low patronage. Queensland Rail revealed at Rail Summit 2006 their approach was to promote this type of services.

The Social Costs would be hard to quantify but since there is the congestion, gas emissions, environmental and noise and of course global warming; it would appear that the Cost of Rail would be justified. This does not allow RailCorp to be managed with inefficient practices.

Question page 58

12. The Government should show what economic benefit the Rail Service provides the Community In the Mountains the income that is earned from the Commuters using the system and living in the Mountains is approx 14% also the Users of the system reduces the pressure on the road systems. The present fare structure is accepted in the main and there is an opportunity for RailCorp to market existing services.

13.-15. The Association cannot see quantifying social costs and benefits will assist IPART for the following reasons.

1. How can you derive a cost on a visiting a friend in a hospital or rest home..
2. A family outing
3. Using the system for education, health, entertainment etc the public do not put a cost benefit analysis on their decision it is factored in the journey but not definitive.

16 The Association agrees with the last sentence i.e more attention given to other approaches to increasing rail patronage and capturing the net social benefits of rail, such as increased rail service quality and frequency. We believe that the Rail Service is a Government Service as many Government Authorities are. We do not want to go back two centuries where the State did not have services that improved the life of the community.

Building Block Approach

The Assessment of the points on page 65 there could be much value as the ICAC inquiry appears to point out, the present system appears to have deficiencies perhaps the points raised are worthwhile introducing for a period to improve the present system. The Association feels that losses incurred by CityRail should be listed.

(9).

Operating and Maintenance approach page 66.

Comparing the Singapore is difficult as it is an area 239sq miles/ 618 sq.km with a population of 4.492,000 The Area of the CityRail Network stretches from Dungog in the North to Nowra –Goulburn South and Lithgow West with 4 million people approx We cannot see how this comparison can be made.

The Association agrees that there should be a process that RailCorp has an improved Cost Accounting Mechanism that allows future costs for the next period.

It would be of interest if the cost that RailCorp incurs under the present annual system would be of interest. In addition, what savings if a biannual fare approach was taken? Another factor that should be considered is the accounting methods used, is it complex, creative, difficult to draw a conclusion.

The comment on page 67 last paragraph bears some thought concentrating on operating costs should bring to the attention of IPART and the Consumers any deficiencies in operation and what corrective action has been taken.

Assessment of the operating and maintenance cost approach Page 70

The Association supports the approach if RailCorp has a process that puts the responsibility on the various managers, divisions that ensures efficient operation of the division.

1. . Rolling stock failure due to inefficient maintenance at Depots
2. . Maintenance of Station facilities TVM Public Address Toilet Facilities.
3. Response to complaints to 131500 do not have responses that are conducive to system.
4. There appears to be a lack of auditing procedures and practices. .

Comments re page 70.

The Association does not have an opinion, other than as a Public Service we require efficient reliable service one that does not have the situation to that is what is revealed in the ICAC Inquiry. The greater reliance of Consultants appears to reflect inadequate management.

Setting of the ARB. 19

The ARB should be set on the physical capitol as RailCorp is supplying a physical service, stations. Ticketing, rolling stock communication, information.

Return on capital. 20

The return on capital as it is a Government Service and the public will respond to their capitol / fare input being rewarded with an efficient railway.

Ref.21

If a more detailed analysis of City Rail's costs that reflects what I have said in last paragraph page 8 may be more conducive to a longer period between fare inquiry i.e 2 years.

Over 10

(10).

Last Paragraph page 70.comment.

The Urban Transport Statement November 2006 sets the approach by Government to meet the challenges of increase in population the need for improved transport RailCorp has to set targets for increase in the use of the system especially in the outer areas.

Last Paragraph ref page 71

To set individual ticket would be dangerous but we do accept tickets like Travel Ten, Day Tripper and other promotional ticketing that increases patronage

Comment ref page 72.

The Association believes that this should be carefully considered as RailCorp may derive a ticket whose fare proves to be a popular product then RailCorp should use this to improve patronage.

Comment ref page 73.

Three years maximum between the fare inquiry processes This should place on RailCorp more efficiencies also contract periods for various products such as a T card should be delivered in this period. The Association has witnessed a long period of reconstruction of the Lithgow Tunnels with no reports on progress and reason for it. RailCorp should be able produce the information in a three-year period and finalise projects.

Comment ref page 75

The Association has indicated that a three-year term should be considered and within this period restructure of Railcorp should not be considered, as we do not get consistency in management

There is a consideration that their is a plateau where the cost level where the decision to take the car in lieu of the train becomes a consideration.

Fare Levels and Fare Structure page 77

This should carefully considered, might not be a good political decision. It is a Government Service.

Comment re page 79-80

The Association suggests that a review of ticketing products should be carried out before the next fare inquiry that is T Card type 2, Zonal Fare, Ticket types Concessions Review and discount fares of various types. As this year Fare Inquiry has been delayed because of this review, there is the opportunity of RailCorp, Transit Authority and Ferries to review their ticketing system.

In a Zonal System, a ticket bought on the system one station past the end of the Zone is a consideration.

Comment re page 81.

The peak period has been extended but we must consider the service is a 24-hour service many may use the service off peak one-way and peak another.

A peak service to Town Hall from North Shore is a peak service and from Central to Granville is reverse Peak RailCorp make it difficult to consider a peak pricing product in this case.

(11)

Comment re page 82

RailCorp has to consult more with the Community, as Bus Companies are obliged to under the new contract arrangements every 12 months

RailCorp is not prominent at various Forums it may have Focus Groups but little is known about them This should indicate where the demand also use of local papers is a lot to be desired. Yes, there is information on stations but not in the local Library

The cost of the journey should not be different between Off Peak or Peak as who will monitor the different also there are different peak hours for different areas.

Comment re Page 83

The Association requests that elasticises information completed in the next three months as we now have a different agenda with global warming, etc

Comment re Page 84

See page comment re page 79 and 80

I have endeavoured to give a full and frank comments, the Document was formulated by the President Ed.McKenzie and members I hope it has some benefit and we look forward to the other reviews by IPART and the submission by RailCorp

Thank you for the opportunity to comment on this subject

Yours faithfully

Paul Trevaskis Hon Secretary