

## INTRODUCTION

I am a retired Senior Executive of the Queensland State Public Service. I held the position of "Director, Major Projects" within the Department of Transport. I was directly responsible for conceiving, designing, developing, project managing and successfully implementing a totally integrated fares and ticketing system, embracing paper, magnetic stripe and smartcard technology, for a large geographic region and multiple government and private operators, encompassing South East Queensland, and the bordering Tweed Heads region of Northern NSW.

Projects to achieve these objectives had been established many times previously, and, despite prodigious funding, failed. The Sydney Electronic Smartcard Ticketing Project [ERG] failed, as was highly probable given the task it was set. The comparable Melbourne project, "myki", described as "troubled", is shortly to commence trials, with a view to a 2010 implementation. Its cost is published as \$1.35 billion, compared with a figure considerably less than that in QLD. Two members of my Queensland Project Team were hired by Melbourne, to help steer it towards an achievable concept and methodology.

I pioneered the desirability of smartcard interoperability between States, successfully established a Government CTE structure, and migrated the technical work to the ambit of a Standards Australia Committee, which I chaired.

## FIRST PRINCIPLES

The IPART study document, in its introduction states that "any decision made by IPART should facilitate the planned electronic ticketing system". If this is so, as it should be, it is plain logic that you cannot meet this obligation, without knowing, precisely, what is necessary in a fares system to enable the introduction of the smartcard ticketing system. It is grossly inadequate to simply talk of "fare harmonisation", [although the logic heads in the right direction]. The successful introduction of a smartcard system will require much more than that, and you are likely to be dooming that objective to another embarrassing failure, unless and until policy makers get their goals and objectives straightened out. The most obvious problem is that if you keep on the track of this study, the smartcard system, so called, will have to be descoped into multiple stand alone and non integrated systems, which will provide no benefit to overall public transport goals, except maybe to replace obsolete ticketing equipment. This would not be reason enough to spend \$1.35 B.

The fact is that IPART [in respect of its role in public transport fares] and the Electronic Ticketing Project [PTTC], cannot be "independent" of each other. At the very least, they must work together, but desirably, be merged into one project [since Fares and Ticketing are not independent of each other; they are just different stages of a process].

## RIGHT BACK TO BASICS

To get this consideration on to the right track, the Government policy makers need to ask themselves some basic questions. Sure, you want the "system" to be efficient, you want it to be safe and reliable, you want it to be affordable for users, you want to get value for money from Government expenditure, etc.

But the more basic question is "why have a public transport system".

If the answers are:

- The road system would choke without it.
- People would not be able to reach places of employment
- People would not be able to access key destinations, such as schools, hospitals, shops, recreational attractions etc etc.
- Families would have to buy additional cars
- This would damage the environment and add to smog and greenhouse gas
- Travel time would increase [substantially in many cases]
- The transportation of goods on the road would be slowed, with an economic cost
- The image and utility of Sydney as a travel destination would be massively impaired [c/f London Tube, NYC Subway, Paris Metro etc]
- Etc;etc; etc; then, you must conclude that public transport is not only desirable, it is an absolute necessity.

Once this conclusion is reached, then key, basic strategies need to be formulated.

For example, if the conclusion is that Public Transport is not only necessary, BUT, the economy, environment, efficiency and liveability of the City would benefit by shifting travel from motor vehicles to PT, then, the KEY THRESHOLD ISSUE is, what measures would achieve this.

It is axiomatic that infrastructure investment will be beneficial. However, the Brisbane modelling, based on world-wide experience, market sampling and focus group studies, predicted patronage growth on PT of 5%-8% solely from integrating the fares and ticketing systems. The actual result was far better.

That is, it was possible to achieve a very substantial mode shift by fares and ticketing integration. The theory worked. The practice delivered.

#### LESSONS FOR SYDNEY/GREATER SYDNEY

The goal, mission, call it what you will, needs to be clear. Surely, it is modeshift towards PT for all the reasons your policy makers will identify. It's not hard.

The strategies must then follow. They must, just as surely, identify infrastructure investment [growth corridors etc] and the highest level of integration possible, since travel in Sydney will often involve bus/rail, ferry/rail, ferry/bus, bus/bus etc. There is every reason to expect Sydney will achieve modeshift, therefore PT patronage growth, by integrating its fare and ticketing system.

#### THE BENEFITS OF A SMARTCARD SYSTEM

I don't want this to sound like a tutorial, but there are massive benefits, in terms of multiple objectives, of going to smartcards:

- Rail fare evasion will be massively reduced [refer to London evidence]; therefore revenue substantially increased, without any additional ridership.

- Bus boarding times will be substantially reduced. Therefore [i] trip time reduced [ii]better public satisfaction[ii]"dwell" time at stops reduced, therefore fewer exhaust emissions, therefore cleaner environment[iv]traffic flow[behind buses improved, therefore greater efficiency of road system] [v] with shorter trip times, buses will be able to perform more trips in a day, therefore lower fleet size.

- money paid on to smartcards becomes a very sizeable bank. This money can be invested in infrastructure. It amounts to a very, very large free cash loan from the public.

- The option exists to utilise transit smartcards for any number of cash transactions, therefore, business opportunities.

- This list goes on, but the case is compelling, and the technology proven. It is a winner. That is, if you can do it. And to do it, you need to know where you are going and how to get there.

**If you accept these arguments, as the government apparently[with good reason does], then this review is not the way to meet the higher order objectives.**

#### INTEGRATED FARES AND TICKETING.

This must be the goal. The end point. It must totally inform and drive everything that is done along the way. The business case, as above, is compelling. **EVERYTHING** that is done with fares, must totally dovetail into the bigger picture. Otherwise, the bigger picture will remain a pipe dream, millions [or billions] will be invested and wasted, and nothing will be achieved. You might come up with some nice formulas for flag falls and so on; you might come up with a formula for respective government and private contributions etc etc but you will do nothing to advance the underpinning goals.

It all starts with **Fares**. If you are to avoid the necessity of multiple, stand alone, non-integrated smartcard systems [and re present a challenge that ERG was unable to meet, and will be equally as

challenging for others, even if they claim technical capability], then, fares must be Standardised. Simple as that. Not "harmonised". Standardised. This means:

- Identical fare structures
- Identical products ["off-peak", "weekend", "monthly", "beekeeper", etc etc.]
- Identical definitions ["child", "pensioner", "school child" "visually impaired", etc etc

You cannot have a person who is a child on a train, but an adult on a bus. You can't have weekend starting at 6pm Fri on bus, but 12 midnight am on trains, etc etc.

It means you have to come up with a fares model. There are only two. Trip [distance] based, or zonal. Trip based cannot work; neither buses nor trains run in straight lines and pure economic logic will soon show you that you can't extend the cost of a train fare from Toongabbie to Blacktown, to be ten times the fare from Wynyard to Town Hall. You are going to need a zonal system. Therefore, the study you are about to embark on, is likely to be highly antithetical to the main goal.

#### NEXT STEPS

IPART urgently needs to get together with the Dept and Ticketing project [i.e PTTC].. You need to work out what the end point is meant to be and why, [ viz fare and ticketing integration], and having done that, start mapping the pathway to the end goal. This is not meant to denigrate or be critical in any way of the methodology or elements of what would reasonably be included in a bus fare review. It seems fine. Professional. But **surely**, [tell me I'm not wrong], your work must not only be informed, but DIRECTED, by the requirements of the planned electronic ticketing system. You do state this at the outset .But it must not be throw away words; it must be 100% conviction.

If this is so, AND IT MUST BE [or the Government has learned nothing], then, you cannot undertake this review on the basis set out.

An integrated fares modelling exercise would take you down a different track entirely. It would very likely be much simpler and still arrive at basically the same Govt outlay as your study will produce. Time does not permit me expound this methodology.

Now for the sensitive bit.

i] IPART will not be able to operate independently on the issue of PT fares. It must operate within the parameters of high order Government strategies, AND, if they include Smartcard ticketing technology, then, IPART must accept the realities and implications of what this means. The Government can't have it both ways.

ii] IPART must work with PTTC and the ticketing project. Not at arms length. Inside the tent. Two different elements of the team [it takes forwards and backs working together].

Desirably, and here's the "rub", under one Project Leader. You must find an accommodation to this reality. Or Failure 11 awaits.

#### SUMMARY

It needs to be established or re-affirmed if the introduction of an electronic [smartcard] ticketing system is a high Government priority.

If it is, then EVERYTHING done in respect of fares, must be supportive of this end. [Harmonised does not do it]

Therefore, this study is not the way to achieve it.

The whole thing; i.e fares and ticketing , needs to be fed into a coherent project methodology.

IPART would [could] [should], have a key role in the fares solution. It may end up not far different than a study of this type, with the same principles of public and government contributions involved.

The project structure to get there should be reviewed, and set up to succeed, not fail.

#### CAN I HELP

I've retired. But I know a bit about this. I achieved what people said was impossible. .

If you'd like to correspond, or meet you in Sydney etc, I'm more or less available. No fee involved. I would like to see you succeed, for the reputation of your city and Australia.

Bob Lutherborrow