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Mr James P Cox
Chief Executive Officer and Full Time Member
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Mr Cox

REVIEW OF BUS AND FERRY FARES (INCLUDING TRAVELPASS)

The Lower Hunter Councils Transport Group (LHCTG) comprises officers and Councillors from the five Lower Hunter Councils of Cessnock, Maitland, Lake Macquarie, Newcastle and Port Stephens. It was formed in 2001 for the purpose of facilitating greater mode share to sustainable transport.

The Ministry of Transport has indicated its intention to change the time-based fares of Newcastle Buses to distance-based fares. The LHCTG does not support this direction. Fares and ticketing systems should be easy to understand. Newcastle Buses has a very simple system - travellers have unlimited travel over the network for one hour, four hours or all day. The minimum fares on Newcastle Buses are, however, relatively high, thereby negating some of the benefits of this initiative. The proposed price increases are not supported.

The situation in the Lower Hunter, in terms of the public transport market, travel patterns and service provision, is significantly different to that in Sydney. The system implemented in the Lower Hunter should have regard for these differences. Ideally,

- bus, train and ferry services in the Lower Hunter would operate under the same fare and ticket system;
- fares would be based on what the local market can bear; and
- it would be recognised that greater cost recovery could be achieved by encouraging greater use of public transport, rather than increasing fares.

Currently, there is virtually no marketing of public transport in the Lower Hunter. There is however, spare capacity on most services. The LHCTG considers that common branding and marketing of public transport collectively would enhance patronage growth. In the current climate of rising petrol prices, and the increasing incidence of obesity and diabetes, particularly in young children, there is a prime opportunity to market public transport and active transport.

The unit of travel for most people is what they travel in a day, not what they travel in a single trip. Successful public transport systems overseas use some form of time-based tickets and zone-based tickets combined. A possibility which could be explored is that of all-day tickets for single zone and multi-zone travel in the Hunter. For example, four zones could cover the urban areas of Cessnock, Maitland, Port Stephens and Newcastle-Lake Macquarie. Within each zone, there could be a single trip ticket and an all-day ticket and similar products for multi-zone travel (two or more zones). The all-day ticket could be priced at approximately twice that of the single trip ticket and the tickets should cover all modes.

Notwithstanding the above comments, if the Ministry of Transport insists on uniformity, then measures should be adopted in the implementation of Tcard to provide incentives for increased public transport use. In particular, the system should be configured to impose price capping of daily, weekly and monthly travel.

Charging for vehicle kilometres travelled

In previous submissions to IPART, the LHCTG argued that the benefits of increased modal share to public transport at the expense of single occupant car trips are enjoyed by the whole community (through decreased congestion and emissions, for example) not only the direct users of the public transport system. Investigation of alternative methods of revenue collection was encouraged.

As an alternative or supplement to fares, additional funding for public transport could be derived from imposition of a charge for vehicle kilometres travelled (vkt). A vkt charge may encourage people to think about the amount (and potentially, timing) of their car use. Charges could be collected at registration, based on odometer readings. Different rates may apply depending on the emission profile of the vehicle and the availability of alternative modes (e.g. metropolitan versus country rates). Research indicates that there is a substantial gap between the perceived costs of car use (cost of petrol, maintenance and parking costs) and what the actual costs are (when infrastructure, environmental and social costs are taken into account). Charging for vkt may assist to make some of these costs more transparent, and encourage shifts to walking, cycling and public transport.

The LHCTG challenges IPART to progress such alternative forms of public transport funding.

TravelPass Products

The Pink TravelPass and the Yellow TravelPass are available for use in the Lower Hunter. The Pink TravelPass permits travel on all Newcastle Buses and Ferries' services and the CityRail network between Telarah, Awaba and Toronto. Similarly, the Yellow TravelPass covers all bus and ferry services, and travel on the CityRail network between Thornton and Booragul. The LHCTG is pleased to note recent changes to the CityRail website to include details of these products. However, the pricing of the Pink and Yellow TravelPasses for use in the Lower Hunter is the same as that for travel passes of the same colours for the Sydney network, for significantly different service provision. The LHCTG does not support increases in TravelPass prices as part of the current review. Further, as stated in

an earlier submission, the LHCTG supports extension of TravelPass zones to include the rest of the CityRail network in the Hunter Region and the Central Coast.

In summary, the main points that the Lower Hunter Councils Transport Group would like to make are:

- Proposed price increases are not supported.
- Increases in individual fares may not necessarily translate to an increase in total revenue. In the Lower Hunter, there is significant potential to increase patronage through promotion and improved services.
- New fare systems should allow changes between modes without penalty and provide incentives for greater public transport use, by capping the prices of daily, weekly and monthly travel.

If you would like to discuss any aspect of this submission, please contact me on telephone 4974 2885 (Tuesday to Friday) or e-mail nmccabe@ncc.nsw.gov.au.

Yours faithfully

Natalie McCabe
LOWER HUNTER COUNCILS TRANSPORT GROUP