



Council of Social Service of New South Wales

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Review of CityRail Regulatory Framework
Independent Pricing and Regulatory Tribunal
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Dear Madam/Sir

The Council of Social Service of NSW (NCOSS) would like to thank you for the opportunity to comment on the IPART Transport Discussion Papers:

- Deciding on the structure and level of CityRail fares
- Determining City Rail's revenue requirements and how it should be funded

NCOSS is an independent non-government organisation (NGO) and is the peak body for the non-government human services sector in NSW. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in New South Wales. It was established in 1935 and is part of a national network of Councils of Social Service, which operate in each State and Territory and at Commonwealth level.

NCOSS provides an independent voice on welfare policy issues and social and economic reforms and is the major coordinator for non-government social and community services in NSW.

NCOSS is only making a brief submission to this current review and we believe that the issues raised in our 2006 and 2007 submissions to the IPART Review of CityRail Fares are still applicable today. These submissions can be found on the NCOSS website at www.ncoss.org.au.

Introduction

NCOSS believes the goals for public transport should be to:

- Maximise the community's access to transport with high quality, convenient services
- Provide mobility at a price that is affordable to individuals from all socio-economic groups in the community
- Improve social connectivity, health and wellbeing by enabling people to access family, friends, community, work, school, leisure, social, sporting and other services (i.e. health care, aged care, child care etc)
- Reduce the impact on the environment of unsustainable transport options by providing a sustainable alternative

Sydney faces significant challenges to its long term social and environmental sustainability. Rail pricing will not only have short term effects on patronage, but will impact upon the decisions consumers are able to make in the long term, especially low income and disadvantaged people.

Transport, Social Disadvantage and Rail Fares

“Transport poverty,” “Transport Disadvantage,” or “Transport Stress” can be defined as involving difficulties accessing transport – either because of factors of cost, availability of services or poor physical accessibility – which leads to isolation from jobs, health and treatment, as well as social and recreational activity. The UK Social Exclusion Unit state that ‘problems with transport and the location of services contribute to social exclusion by preventing people from participating in work or learning, or accessing healthcare, food shopping and other local activities’.¹

Transport expenses for disadvantaged communities can be high, with transport costs typically consuming a greater proportion of expenditure for low-income households. Due to the poor availability of public transport services, many low income people rely on private motor vehicle transport. This mode of transport is expensive and can disproportionately impact upon the weekly budgets of low income people. Information from the Victorian Coalition for People’s Transport indicates that ‘car ownership costs consume 13 per cent of average incomes, but 28 per cent of the incomes of low-income earners’.²

Public transport expenses can also be high for low income people who are not entitled to a concession fare. There exist a number of gaps in the provision of concession fares in NSW, including, for example, the lack of transport concession for Aboriginal people who participate in Community Development Employment Projects (CDEP).

Transport expenses can also increase where poor urban transport fare integration imposes multiple flagfalls on passengers changing transit modes.

At present rail services in Sydney can offer an affordable alternative to private motor vehicle use, meeting the broad objectives of reducing the social and environmental costs associated with roads and motor vehicle dependency. Ticket pricing structures that take into account large geographic distances travelled and low urban densities can also assist to promote affordable and sustainable connectivity to jobs, services and education. For low income users, an affordable, frequent, safe and reliable rail system can assist to provide a financially viable alternative to private motor vehicle transport.

Low income users account for a large proportion of rail users across Sydney. Information from the Transport Population Data Centre indicates that approximately 25% of rail users in Greater Metropolitan Sydney come from households in the lowest quintile of income. These users are by far the largest grouping of City Rail passengers.

Social Impact of Fare Increases

While a fare based on a per kilometer charge would be economical, it is not equitable. This type of fare base would have a significant impact on people from low socio-economic backgrounds who tend to live further away from the city centre and who commute into

¹ Social Exclusion Unit, “Making the Connections: Final Report on Transport and Social Exclusion,” Office of the Deputy Prime Minister, February 2003, p9.

² Victorian Coalition for People’s Transport, *The Place to be on PT: A Vision for Greater Melbourne’s Transport*, 2004, p5.

Sydney or across Sydney to work or access activities and services. At present approximately 25% of rail users in Greater Metropolitan Sydney fall into the lowest quintile of household earnings. Therefore any fare increase will impact significantly on these users

Given these considerations, NCOSS raises concerns about the financial consequences of the proposal to base fares on a per kilometre cost, particularly given the potential patronage impacts over the short and long term.

Efficient Operating and Maintenance Costs

NCOSS does not support the reduction or removal of guards on trains or staff from low patronage stations. Reducing or removing guards on trains has a direct impact on people with disability, who often rely on guards to assist with accessing the train.

Guards and Station staff play an important role in providing a 'face' for city rail. People are often uncertain about train times and platforms and station staff and guards are people that can be spoken to directly and who can answer questions on the spot. Station staff also provide a feeling of security to passengers waiting at low patronage stations.

Off Peak Travel

NCOSS does not support the limiting of travel or time limits for people with off-peak tickets. Introducing a time or travel limit presumes that the person has some control over when they can travel. For people using rail transport to access health care or other essential services it will be the availability of appointments that will determine the times that they can travel. By applying limits it may mean that people will be expected to 'wait around' until after peak periods have finished at the end of the day. Where these people are expected to wait and what they are expected to do during this time is not discussed. Neither is the impact on other members of the family who may be relying on that person to be home at certain times.

Conclusion

The future of rail will depend upon its responsiveness to the long term social, economic and environmental challenges presented by Sydney as a city. Proposals for significant fare adjustment must take into account not only short term financial sustainability, but considerations of social and environmental sustainability. Certainly change in pricing and funding for public transport is inevitable: but this must reflect careful planning with respect to long term objectives, rather than rapid pricing changes to address short term financial concerns.

If you would like any further information please contact Samantha Edmonds, Deputy Director Policy and Communications on (02) 9211 2599 ext 111 or samantha@ncoss.org.au

Yours sincerely



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