

Greg Sutherland

12 June 2003

Submission to IPART re Public Transport Fares

Thomas G. Parry
Chairman
Independent Pricing and Regulatory Tribunal of NSW
Level 2 - 44 Market Street
Sydney NSW 2000

Dear Professor Parry

Re: Determination of CityRail and STA Fares

I should like to take this opportunity to submit the following comments to IPART's current review.

Attracting people to public transport

Previous determinations by the Tribunal have demonstrably concentrated on the narrow financial imperative of public transport rather than the overall question of long term viable public transport services. I note that this has been the approach championed by the SRA and the STA.

This situation has been created by the obsession, doubtlessly driven by the financial 'gurus' of the SRA and the STA, with maximising individual fare payments rather than maximising revenue overall. To any rational observer, rather than these narrowly focused 'rational' economists, public transport can become more viable if existing services are more heavily patronised rather than the SRA and the STA gouging more revenue from their current captive users.

Overall it would be preferable for Sydney to adopt the Melbourne zone system for fares rather than the existing Sydney system which charges a per trip by individual service (SRA, STA- bus or ferry, light rail, private bus) which is a total disincentive for commuters to travel by public transport in Sydney.

I appreciate, regrettably, that the adoption of a zone system is obviously a quantum leap which is beyond the scope of your current enquiry.

As a consequence I believe it is imperative that your inquiry focus on those areas where, contrary to the simplistic views espoused by the SRA and the STA, revenue can be enhanced without the need to increase fares. Could I suggest that the STA is an example where this is particularly relevant, particularly in the following areas:

Pre-purchased fares

Currently the STA is seeking to further reduce the discount applying to pre-purchased fares, such as Travel Passes and Travel 10s, an area where unfortunately, and I believe, inappropriately, your Tribunal has given the STA support in the past. The STA's simplistic approach focuses on the apparent direct financial differential between cash and pre-purchased fares, without acknowledging the considerable cash savings accruing to the STA from reduced overhead costs associated with off vehicle purchasing, the benefit of funding in advance, and the increased efficiency occurring in its general traffic operations inherent in a faster boarding time for services where the majority of passengers have pre-purchased tickets. Anything that results in faster boarding improves service reliability and speed and attracts people to make greater use public transport.

A further aspect ignored by the STA's submission is that once a person has a pre-paid ticket they will be encouraged, indeed committed, to use public transport. A person who is a cash only customer will only use public transport as an alternative rather than as a committed customer. This situation is demonstrated by the heavy use of 'loyalty' programs by airlines, banks, retail stores and many other successful commercial enterprises.

Lack of 'through' tickets

STA's current ticketing system does not provide for through tickets when a commuter requires to use a combination of bus and rail or bus and ferry (other than the basically SRA Travel Pass). In my local transport environment this means that I am penalised for using a bus/ferry combination for my travel to/from the CBD even though this is a more efficient and effective transport combination for me as a regular commuter. I note that, in the past, the STA provided combined bus/train tickets (eg the ESR bus/rail ticket) on services in my local area.

I believe it is incumbent on your Tribunal to rectify this glaring anomaly.

Value for Money

The 'Better Buses East' program recently introduced by the STA has cut my peak hour and daily services by 33%, my shoulder service after the pm peak by 66% and my evening service by 50%. I have joined in public demonstrations against this outrageous cutback in basic services. Woollahra Council has met with the relevant Minister on this matter and our local community remains outraged at this unjustifiable and unsupportable cut back in basic public transport services. (Professor would you accept that a service of 1 bus an hour to and from the CBD after 6pm is reasonable public transport on a trunk route?). For the STA to be seeking a fare increase in the light of such an unreasonable cutback to a service level which they are demonstrably unable to even maintain is outrageous.

In conclusion, may I summarise my belief that your Tribunal must ensure the following:

- No fare increase for the STA is appropriate unless concurrent steps are taken to ensure that fare regimes are put in place which attract additional users to public transport.
- Your Tribunal demands full details from the STA as to the cost/benefits accruing to the STA from pre-purchased tickets.
- That the STA be required to introduce through fares relating to combinations of bus/ferry and bus/rail as a precursor to any fare increase.
- That no fare increase apply to STA services in my local area until a reasonable level of bus services are restored.

Yours faithfully

G. Sutherland