

30 April 2002

Dr Thomas Parry
Chairman
Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290
QVB Post Office NSW 1230

Dear Dr Parry,

Determination of Passenger Transport Fares from July 2002

I am presenting this submission in relation to the proposed fares for State Transit's Bus and Ferry services in Newcastle. The submission relates to two specific issues:

- Pricing of TravelPass tickets
- Inclusion of Stockton Ferry travel in time-based fares on buses

TravelPass Tickets: Bus and Ferry

TravelPass ticket sales in Newcastle are extremely low. One factor in this relates to their pricing. Compared to the price of single trip tickets, they do not offer sufficient additional benefits to most travellers.

The basic TravelPass in Newcastle is the Orange TravelPass. Its price is \$33.00, the same as the Orange TravelPass in Sydney. This Travelpass can be used on buses and ferries only.

In Sydney, the Orange TravelPass allows unlimited travel on Sydney Buses and Ferries in Zones 1 to 8, and area of about 525 square kilometres, from the coast to Parramatta and from Botany Bay to Narrabeen. Within this area, there are a multitude of bus routes, many with high frequencies, making it possible to travel to a large number of destinations on any day of the week.

In Newcastle, the Orange TravelPass allows unlimited travel on the Newcastle Buses network and the Stockton Ferry, covering area of about 160 square kilometres. The bus services are basic, with generally only a half-hourly service in most areas, with some areas having no night-time and only limited weekend services. Hence the opportunity to travel by bus is much less than it is in Sydney.

Several institutions in Sydney offer various schemes whereby staff can have the benefit of TravelPass tickets from regular salary reductions. Some organisations in Newcastle, such as the University, have expressed interest in these schemes, particularly as an incentive to reduce on-site car parking demand. However, the price relativity and the lack of travel opportunities make the scheme unattractive in Newcastle at present.

With the time-based fare system, regular travel to and from work each day costs \$20.60 using a TimeTen ticket. The difference between \$20.60 and \$33.00 for an Orange TravelPass is more than people are prepared to pay for the limited extra travel opportunities it would give.

Therefore, in Newcastle, the Orange TravelPass needs to be priced in relation to the TimeTen tickets, rather than being the same price as the same coloured TravelPass ticket in Sydney.

If the Newcastle Orange TravelPass ticket was priced the same as the TimeTen ticket, it would open up a large new market for bus and ferry travel, mainly through workers making regular trips each day. The new ticket could be promoted to employers as an incentive to their staff, as is successfully done at the University of NSW and some government employers in Sydney.

There would be no loss of revenue to State Transit, because TravelPass sales are so low at present. Most of the increase in sales of the new TravelPass ticket would be related to new travel, and would not detract from TimeTen revenue.

TravelPass Tickets: Train, Bus and Ferry

There are two TravelPass tickets in Newcastle which include train travel: the Yellow and Pink tickets. They are priced at the same levels as the same coloured TravelPass tickets in Sydney.

In Sydney, the Pink TravelPass allows travel as far west as Seven Hills and Liverpool, 32km from Central, with frequent trains at all times, and connecting buses in the State Transit network for most of the way. Although the rail distance for the Pink TravelPass in Newcastle is similar, there are only train services every half hour (hourly or two-hourly at some stations), and connecting bus services only at the inner city stations.

Hence the price of these tickets should be reduced to reflect the less bus and train content. They should have a rail component based on the revised price of the Newcastle Orange TravelPass, as outlined above.

There also needs to be an additional TravelPass for the Newcastle area to cater for, and encourage, rail travel from the Central Coast and the Upper Hunter. The current limits of TravelPass validity are Telarah and Awaba. Many people travel from outside these areas on a daily basis for work and to the University. The availability of a combined rail bus and ferry ticket would be an incentive for greater use of public transport.

Stockton Ferry

For the people who live or work in Stockton, the ferry service across Newcastle Harbour is their only means of public transport between Newcastle and Stockton. For this reason, the Stockton Ferry should not be treated the same way as ferry services in Sydney, where, in most cases, alternative public transport is available.

It makes sense for the Stockton Ferry to be fully included in the time-based fare system on the buses. At present this applies only the all-day ticket, for which sales are small.

The TimeTen 1-hour and 4-hour tickets should be available for use on the Stockton Ferry, and should be sold on the ferry as well as on the buses. It is unlikely that this initiative would result in a loss of revenue for State Transit, because:

- many people who buy only a ferry ticket now would buy a TimeTen ticket and use the bus to travel up and down Hunter Street in the CBD instead of walking (they are unlikely to pay \$1.80 for the ferry and \$2.50 for the bus to short distance CBD travel)
- Many people who do not travel by public transport will be attracted to the ferry and bus service due to the integrated fare. This will all be new revenue.

Summary

In this submission, a case has been presented for:

- pricing of the Newcastle Orange TravelPass to be aligned to the Newcastle TimeTen ticket
- pricing of the Yellow and Pink TravelPass tickets in Newcastle to be adjusted relative to the suggested change in the price of the Orange TravelPass
- an additional TravelPass to cater for Central Coast and Upper Hunter travellers to Newcastle
- inclusion of the Stockton Ferry fares in the 1-hour and 4hour time-based fares currently available on the buses.

I would be prepared to discuss the details of this submission with IPART officers.

Yours sincerely,

Len Regan
Managing Director