

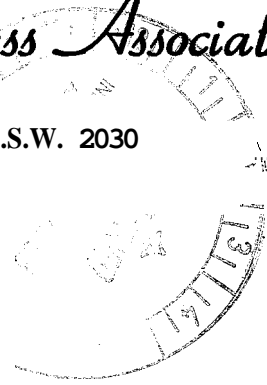
The Vacluse Progress Association

Established 1915

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Professor Tom Parry, Chairman
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230



Dear Professor Parry,

Transport Fare Reviews **2003104**

We note that the outcomes of the 2003/04 reviews will be operative in the first year of the four-year NSW election cycle, and suppose that might be taken by some to imply a potentially more accommodating than usual political attitude to fare increases such that a reasonably major upward change could be contemplated. At the same time, we see frequently what appears to be evidence of public transport infrastructure decay, in the way of equipment unreliability, track problems, rolling stock decrepitude, and associated trip delays, cancellations, and unreliability. This is not a good look.

There is a view in the community that the public transport system is starved of funding, because fares are set too low for reasons related to political acceptability. There is another view that the poor standards of public transport equipment and service reflect managerial deficiencies, which should not be allowed to continue, so that fare increments should be withheld until standards are improved.

As a community organisation representing people living on a peninsula, we see much advantage in economic and environmental terms in the use of public transport to the maximum potential level. Equally, our residents clearly can and do afford private vehicle travel on a fairly high per capita level. They are optional passengers for a public transport system. The tourist interest attached to our district also provides a considerable catchment for transport operators. While public and private (tourist vehicle) buses and the Sydney Ferries do serve visitors, they too retain the option of utilising private transport, and they do so in big numbers.

The Sydney Buses review of local bus services, *Better Buses – Eastern Suburbs*, resulted in our area in considerable service reductions, in terms of frequency, route coverage, and operating hours span. One important aspect of operating detail lies in the traffic congestion that attends the bus routes. Again, the peninsular landform is partly at the bottom of the problem: New South Head Road is the primary road serving the area, and it is notoriously congested. Bus transit arrangements to limit private vehicle use of key road lane lengths have made little impact. In the outer peninsula residential areas of Watsons Bay and Vacluse, where most tourist interest is focussed, the original subdivision pattern has produced very narrow roadways in some areas, importantly along the route of the 325 bus service in Vacluse, and the congestion there has been so bad that bus journeys are abandoned almost as a matter of course, and the cessation of the route itself has been under consideration.

As we see it, the traffic congestion results from high usage of private vehicles because of the severe limitations of the bus service, and the bus service limitations are partly caused by the traffic congestion, and partly by the inability of providers to justify improved services because of the low usage level resulting from the unreliability and inadequacy of the service. That is a circular situation, which offers no good for anyone over the long term.

Clearly, people will not use buses if they are not frequent, reliable, reasonably direct, affordable, and fast. At present, they are none of those things in our district.

We have long supported the ferry alternative as a means of removing some of the traffic from the roads. While the potential is somewhat limited anyway with serviced wharves only at Rose Bay and Watsons Bay, it is not helped by the somewhat erratic operating standards of the ferries. Their unreliability in scheduled arrivals at the City – partly reflecting congestion at Circular Quay wharves, and partly reflecting an inability to manage bulk passenger embarkation/disembarkation effectively – does not encourage people to rely on them for time-critical trips, such as appointments, work starting times, and the like. That operating problem is compounded by the lack of co-ordination of the bus system with the ferry services. The *Better Buses – Eastern Suburbs* removal of connecting bus services at Rose Bay did indeed reflect small patronage, but that patronage in turn reflected the inherently unattractive nature of the bus schedules. Again, there is a circularity apparent.

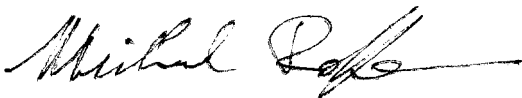
We are in something of a dilemma. We do not think a fare increase *per se* can fix much of the problem, but we understand that the public transport system must be adequately funded. We do not think an effective public transport system can result from a simple cost-cutting or revenue-parsimony approach, each of which merely starves the patient. We have seen nothing in the operational reactions to the IPART determinations of the past decade to indicate that the IPART approach (however that might be characterised) contains either effective incentives to real improvement or serious checks on real inefficiencies. In our district it clearly has not produced public transport that operates as many potential users would wish. On the whole, the actual users of public transport in our district are captive customers (or one-time visitors), but we do not think that justifies the provision of a less than desired level of service.

All this suggests to us that, perhaps, this might be an appropriate time for IPART to concentrate rather less than it has done to date on limitations on percentage fare increases and conformity with statistical yardsticks such as the CPI in its fare determinations. That approach has not produced a system that is user-friendly, or even used when options are available. Rather than looking to limit increases in the existing fares, we think it might be productive for IPART to consider whether the revenue-producing fare *structure* of public transport in Sydney is susceptible to fundamental improvement.

In the context we have outlined above, the priority traditionally directed to the flagfall component of trip fares has produced an aversion to short trips, and multi-mode trips. If the objective of public transport provision were not solely to recover costs, but to provide a real service for optional as well as captive users, the attempts of the recent past to ensure recovery of a significant portion of ‘overheads’ as a flag-fall fare component might be seen as misdirected, since they do not address the task as a whole. We think the fare structure should relate clearly to the task. We observe creative fare structures in other cities in Australia, and abroad, that – whether alone or in concert with other aspects – have contributed to the development of public transport that is used, usable, and useful generally, not just to captives.

We hope IPART may address this basic issue in its 2003/04 Fare reviews.

Yours sincerely,



Michael Rolfe
President
28 February 2003