

29 February 2024

Independent Pricing and Regulatory Tribunal NSW  
Level 16, 2-24 Rawson Place  
SYDNEY NSW 2000

c/- ipart@ipart.nsw.gov.au

## IPART CONSULTATION - MAXIMUM OPAL FARES UNTIL JULY 2028

City of Newcastle (CN) appreciates the opportunity to provide input under the public consultation regarding the Maximum Opal fares until July 2028. CN values and appreciates the important role that good public transport networks with appropriate pricing can provide to the community.

CN understands the proposed reforms will create a new set of maximum fares with potential for this to include new fare structures and innovations in pricing for public transport.

### GENERAL

- CN actively supports effective public transport as part of its community strategic plan – **Newcastle 2040**. This requires improved services and affordability, as we continue to promote a modal shift from cars to active and public transport.
- Strategic support for improved public transport servicing is also detailed under the NSW Government's **Future Transport Strategy - Hunter Regional Transport Plan**. Appropriate pricing rates play a key role in the promotion of public transport usage, in alignment with the identified actions under the plan.
- CN notes that current public transport patronage in Newcastle is low, except for some services which predominantly service school students. Census data shows that our use of public transport to travel to work was more than 75% less than the state's average (2016 census) and patronage is still well below what it was before the COVID-19 pandemic.
- CN receives consistent feedback through our own engagement that existing public transport prices (and price structure) in Newcastle discourages people from using public transport, noting that there is often no financial incentive for people to swap from cars to public transport. Statistics have shown the current public transport commuters in Newcastle (except those that take the train) have a lower salary than those that drive or use active transport.
- CN notes the NSW Government recently introduced a weekly toll cap to provide cost of living relief to motorists in Western Sydney, where public transport options are fewer. CN believes the same principle for cost of living relief should also be extended to public transport passengers in determining maximum Opal fares.
- It is recommended that Newcastle be viewed separately to Sydney in decisions regarding public transport pricing, noting that:
  - Newcastle has a lower level of service for public transport than Sydney, due to a lower historical investment in infrastructure and service improvements in Newcastle and the Hunter, dispersed settlement patterns, and past and continuing prioritisation for cars on the road network.

- Passengers in Newcastle (and its surrounds) often travel further distances to access jobs, education, and services, which inherently results in them paying the maximum bus fare (8+km)
- Current public transport commuters (except those that take the train) have a lower salary than those that drive or use active transport. Reducing fare rates would directly support lower income earners.
- Newcastle (and its surrounds) is a great hub to trial new fare systems, being a distinct area where travel within a particular zone becomes all part of the system.
- Newcastle has previously had different fare structures to the rest of the network, including timed-based fares which operated between 1997 and 2016, and a CBD fare free zone between 2004 and 2019.
- Newcastle has very limited paid parking across the city, often available at a daily cost below a return trip on public transport. This limits people's perception of the cost of travel. It is important for citizens to see the benefits of a variety of travel options, including public transport, without a disparity in perceived direct costs to the consumer.
- Most public transport services in Newcastle have extra capacity which could benefit from attracting new passengers by setting a more affordable fee.

## **CONCLUSION**

CN would support the consideration of a specific area-based pricing structure for public transport in Newcastle, and the surrounding region, under the current Opal fare review.

This pricing structure should be considerate of the identified strategic goals to increase public transport usage, through the allocation of a fare pricing point that shows savings for the commuter in comparison with single vehicle travel/parking in the city areas.

It is noted that support for public transport through this pricing structure would benefit from the delivery of identified improvement actions for public transport in the Newcastle area including rapid bus networks and increased bus servicing on key commuter routes in the city.

Should you have any further questions regarding this submission, please feel free to contact me on [REDACTED]

Yours faithfully

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**Ryan Tranter**  
**INTERIM EXECUTIVE MANAGER TRANSPORT & REGULATION**