

# **Independent Pricing and Regulatory Tribunal**

Review of Rural and Regional Bus Fares 2021 – 2025

Submission to Issues Paper

August 2020

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*CPSA is a non-profit, non-party-political membership association founded in 1931 which serves pensioners of all ages, superannuants and low-income retirees. CPSA's aim is to improve the standard of living and well-being of its members and constituents.*

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CPSA welcomes the opportunity to respond to the issues paper released by IPART as part of the Review of Rural and Regional Bus Fares 2021 – 2025. This submission responds to the affordability and equity of fares in rural and regional NSW, on-demand bus services and the potential broadening of concession eligibility.

### **How do bus fares on rural and regional NSW compare to other areas?**

CPSA notes that delivering public bus services in rural and regional NSW are more expensive than metropolitan services as there are fewer passengers and journeys tend to be longer. On top of that, people living in rural and regional areas tend to have lower average incomes than those living in metropolitan areas which reduces their capacity to pay for public transport services. In discussing the cost recovery of regional and rural bus services CPSA would like to reinstate the value of the social benefits that regional residents receive through affordable public transport. Cost recovery of bus services should not be considered above the benefits of this essential service.

### **Are fares affordable?**

CPSA appreciates IPART's ongoing efforts to encourage rural and regional transport to become more affordable. It should be noted that CPSA supported and continues to support IPART's recommendations to reduce maximum fares for most journeys and introduce daily fare caps arising from the previous review of rural and regional bus fares. CPSA is looking forward to seeing IPART's analysis of the impact which increased fare affordability has had on bus services.

### **On-demand services have been trialled in NSW**

In CPSA's response to the IPART's issues paper reviewing rural and regional bus fares from 1 January 2018, it was pointed out that bus services in rural and regional NSW are less frequent and more expensive than metropolitan services. CPSA's submission went on to say that there is a need to investigate ways of improving the quality of bus services through demand-responsive service options. On-demand services may address some of the issues CPSA members have cited regarding rural and regional bus services, namely the circuitous nature of public transport. A concern which CPSA has with this mode of transport is if booking services do not accommodate people offline. There must be an option for on-demand services to be booked over the phone and paid for with cash. The digitisation of the world has been

recently amplified by the COVID-19 pandemic. CPSA's members have made it clear that they are comfortable with cash and will forgo opportunities that require card only payments. CPSA was pleased to see some organisations taking part in on-demand bus trials offer phone bookings and accept cash payments<sup>1</sup>. This must be a requirement for all on-demand services. Older people and low income households are overrepresented in the offline community and their needs must be considered when making decisions about how on-demand services should be paid for and booked. The cost of booking services made over the phone must be considered during IPART's pricing of on-demand services.

### **Recommended changes to concession fares for Opal**

As part of IPART's 2020 Opal fare review CPSA supported IPART's suggestion that concessions should be granted to a wider cohort, namely that all Commonwealth healthcare card holders should be entitled to concession discounts. CPSA also agreed with IPART that the inclusion of healthcare card holders will not support all vulnerable transport users in NSW<sup>2</sup>. In CPSA's submission to the 2020 Opal fare review a recommendation was made that a new Opal Card be developed and that it charged people on income support the same daily rate as that of Gold Card holders, i.e. \$2.50/day<sup>3</sup>. In advocating for alignment of fare treatment across NSW transport services, CPSA argues the same for regional and rural bus services. CPSA suggests that those on income support payments should become eligible for unlimited daily travel at a fixed fare of \$2.50, the same as those on the RED ticket.

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<sup>1</sup>Ogden's Coaches. 'What payment methods can I use?' Access: <https://ots.ogdens.com.au/>

<sup>2</sup> IPART, 2020. 'Maximum Opal Fares 2020—2024', pp.21. Access: <https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/pricing-reviews-transport-services-publications-opal-public-transport-services-to-june-2024/opal-public-transport-services-to-june-2024-final-report-publications/final-report-maximum-opal-fares-2020-2024-february-2020.pdf>

<sup>3</sup> CPSA 2020. 'Submission to IPART Max Opal Fares 2020 Draft Report' Access: <https://cpsa.org.au/publication/submission-to-ipart-max-opal-fares-2020-draft-report/>