

Structure of Opal fares

Jessica Robinson
Senior Analyst
15 September



Overview of presentation

1. Further fare integration
2. How fares should vary with distance
3. Discounts for frequent travel
4. Peak and off peak travel arrangements

What changes have been made over the last few years?

- ▼ Fares simplified leading up to Opal
 - ▼ Lower number of distance bands under MyZone
- ▼ More integration within modes
 - ▼ Eg, bus to bus treated as one journey
- ▼ More integration for discounts
 - ▼ Free travel after 8 journeys on any mode
 - ▼ Weekly cap includes journeys on each mode
 - ▼ Previously had to 'opt-in' to discounting for multi-leg journeys with MyMulti/TravelPass periodical tickets

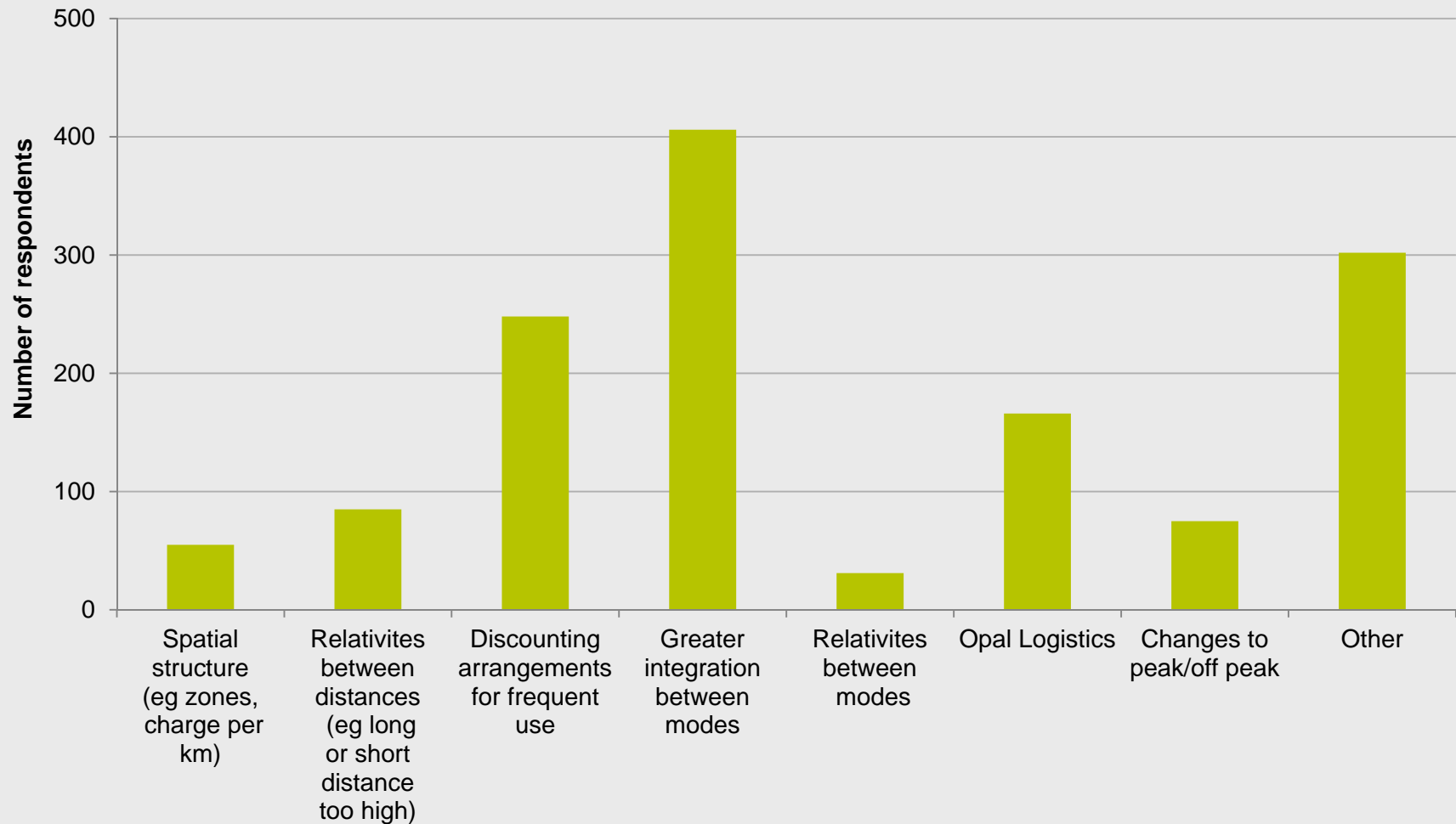
What has IPART been asked to do?

- ▼ Should fares be more integrated, or fully integrated?
- ▼ How should fares be set to manage demand?

We released an Issues Paper looking at different options

Received almost 2000 responses to an online survey

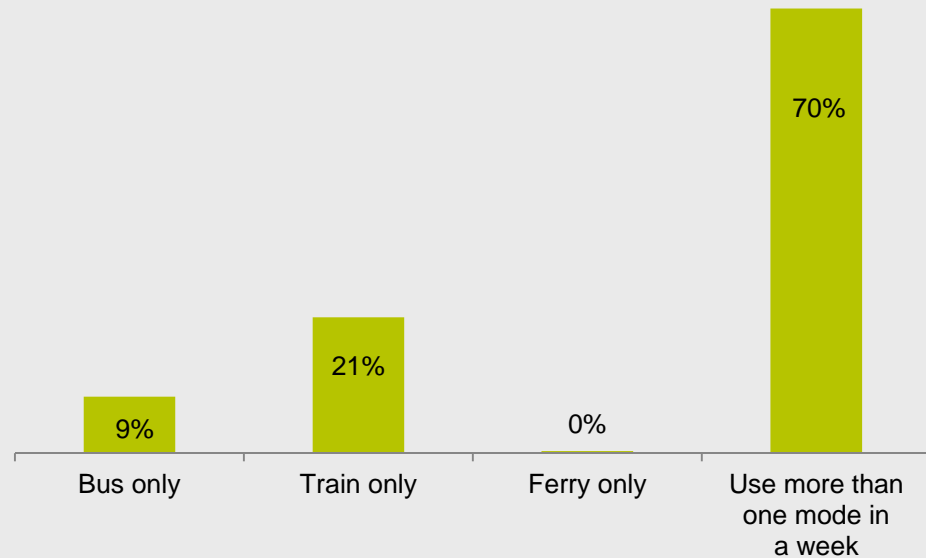
If there was one thing you could change about Opal....



Fare integration

- ▼ It is currently more expensive to make a journey on 2 modes
- ▼ Currently only around 10% of **opal journeys** are made using more than one mode

But 70% of our survey respondents use more than one mode in a **typical week**



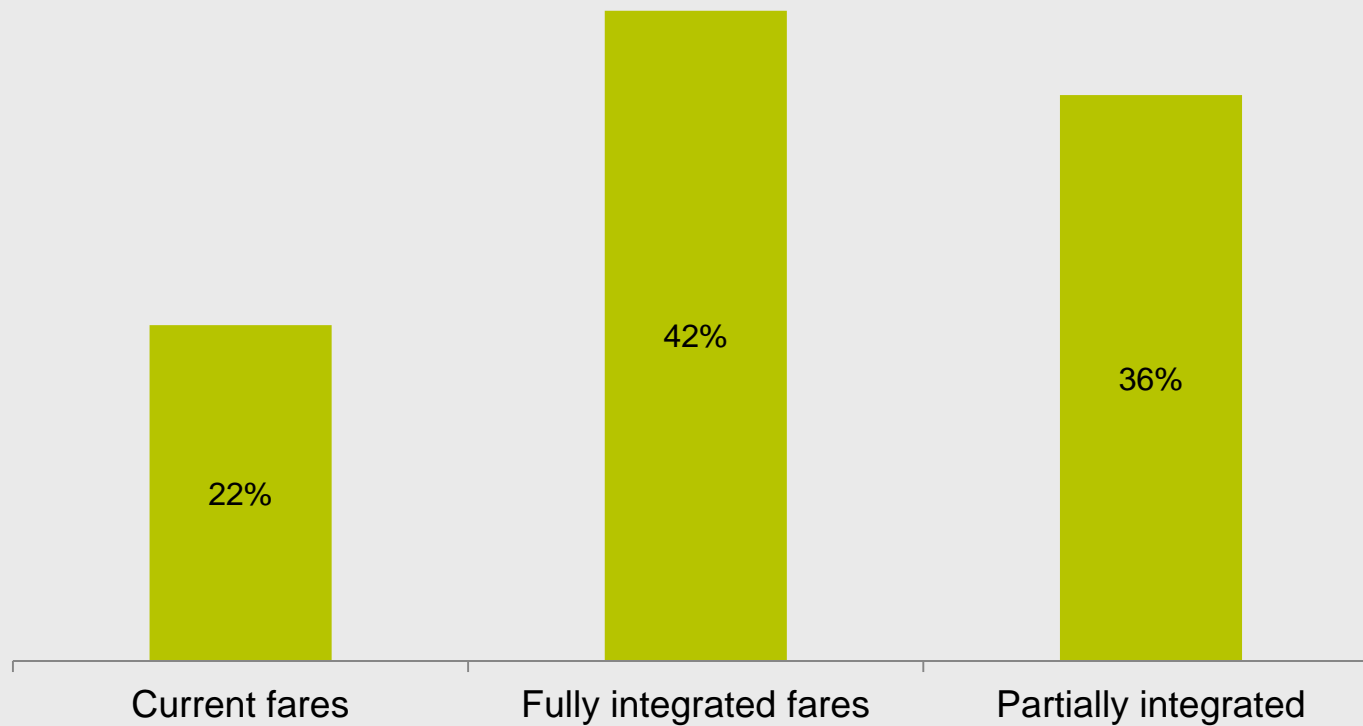
Fare integration

One fare structure is the only way to go. I don't choose which mode to use, that is decided by the network rather than the user

With the changes in the CBD it is more important than ever before to have an integrated fare network

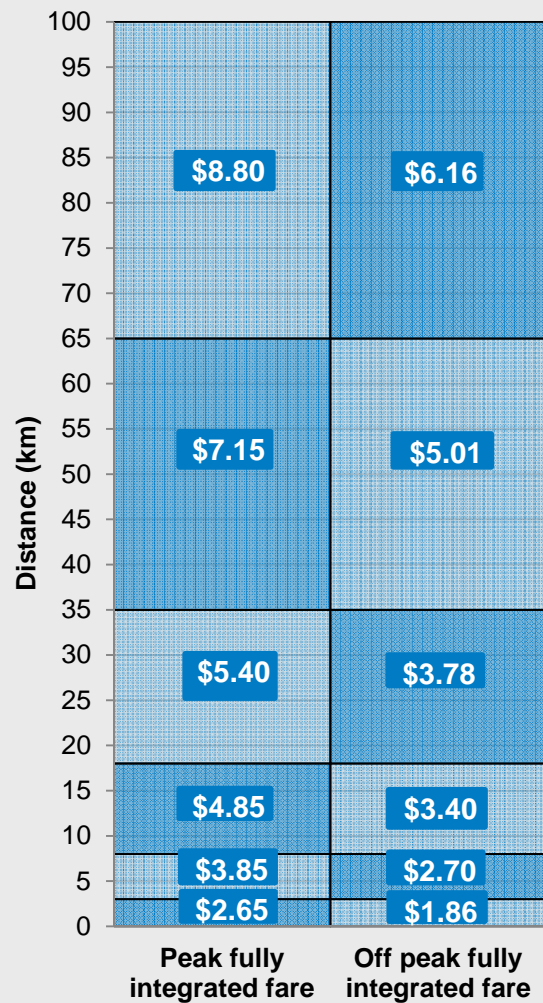
We are serviced only by bus and ferry. Currently I pay more to travel 6km than my colleague who travels over 60 km.

Fare integration – survey preferences



Example of fully integrated fares

Fully integrated fares



Current fares



Partially integrated fares

Different fares for each mode, but transfer penalty is removed for multi-mode journeys

- ▼ For the same amount of revenue overall, all fares increase slightly to offset revenue reduction from removal of transfer penalty
- ▼ Preferred by 36% of survey respondents

Options

- ▼ Charge for full distance travelled
 - ▼ As if the entire journey was taken on the mode that was used to travel the furthest
- ▼ Charge only for the mode that was used to travel the furthest
- ▼ Have the same fare for each mode, but with a ferry surcharge

Survey suggestions

- ▼ One flag fall and different per km rate for each mode
- ▼ Pay one flag fall for most expensive mode, then uniform per km rate for each mode
- ▼ Charge for the longest travel mode plus a small fixed charge (eg 50 cents) for the extra mode.

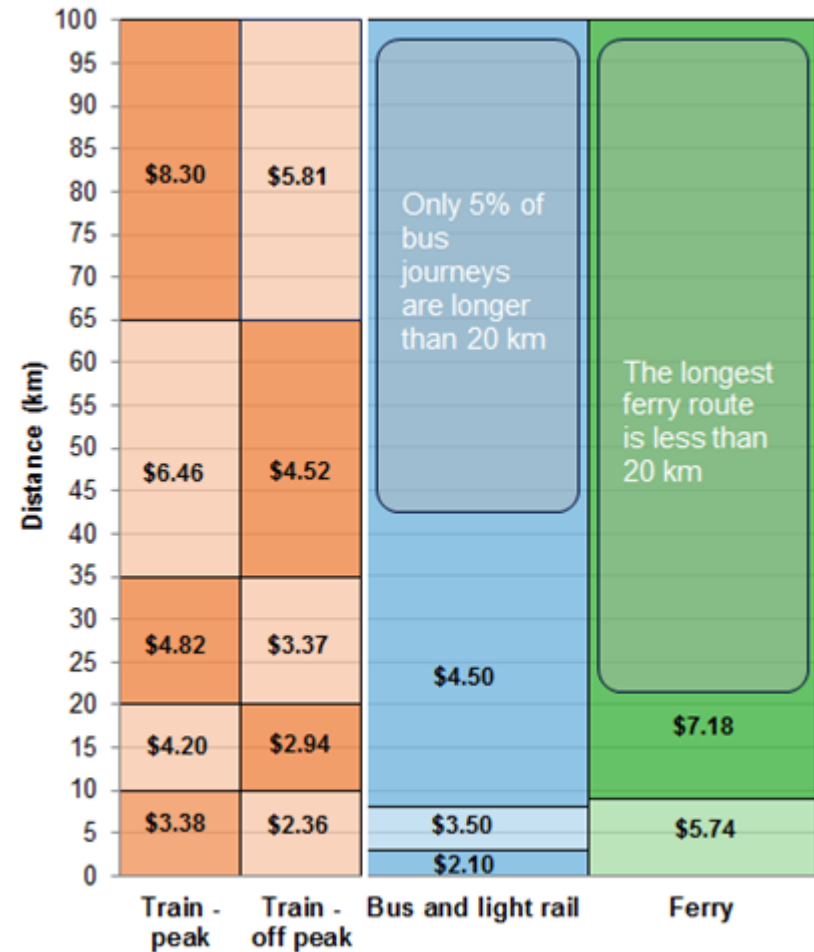
More integrated fares

1. Would removing penalties for switching modes support more efficient use and delivery of the transport network?
2. If you think there is value in making fares more integrated, which is your preferred model of further integration:
 - ▼ Aligning fares for all modes?
 - ▼ Different fares for each mode but remove penalties for switching between them?

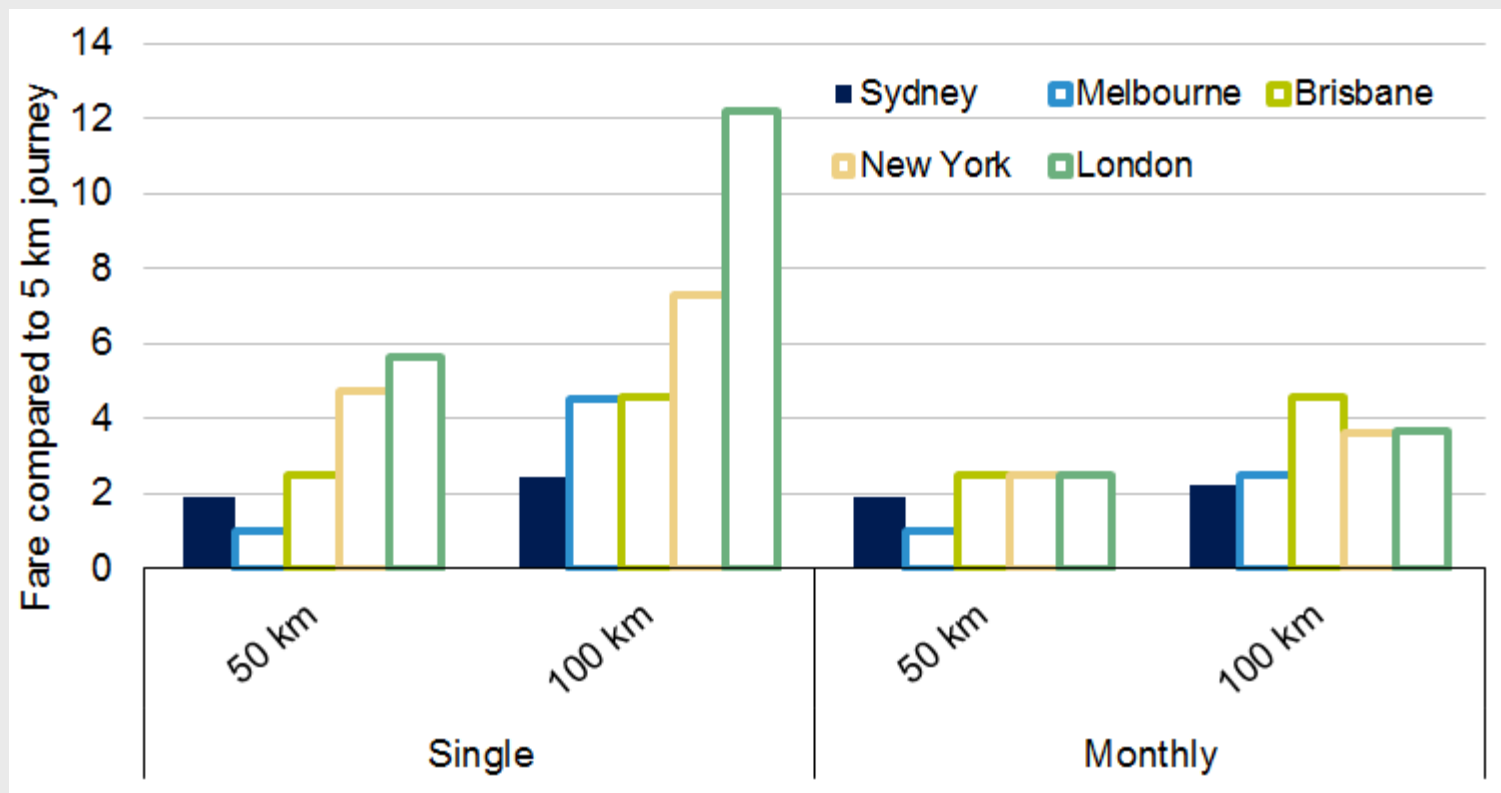
How should fares vary with distance

As property prices in Sydney are high, more people are forced to move further from their place of work. It seems that these are the most vulnerable people when it comes to increasing the fares, this should be taken into account when reviewing fares.

\$3.38 to travel one stop on the train in the city is too much - regardless of what time of day it is. Under 5km there should be a different rate.

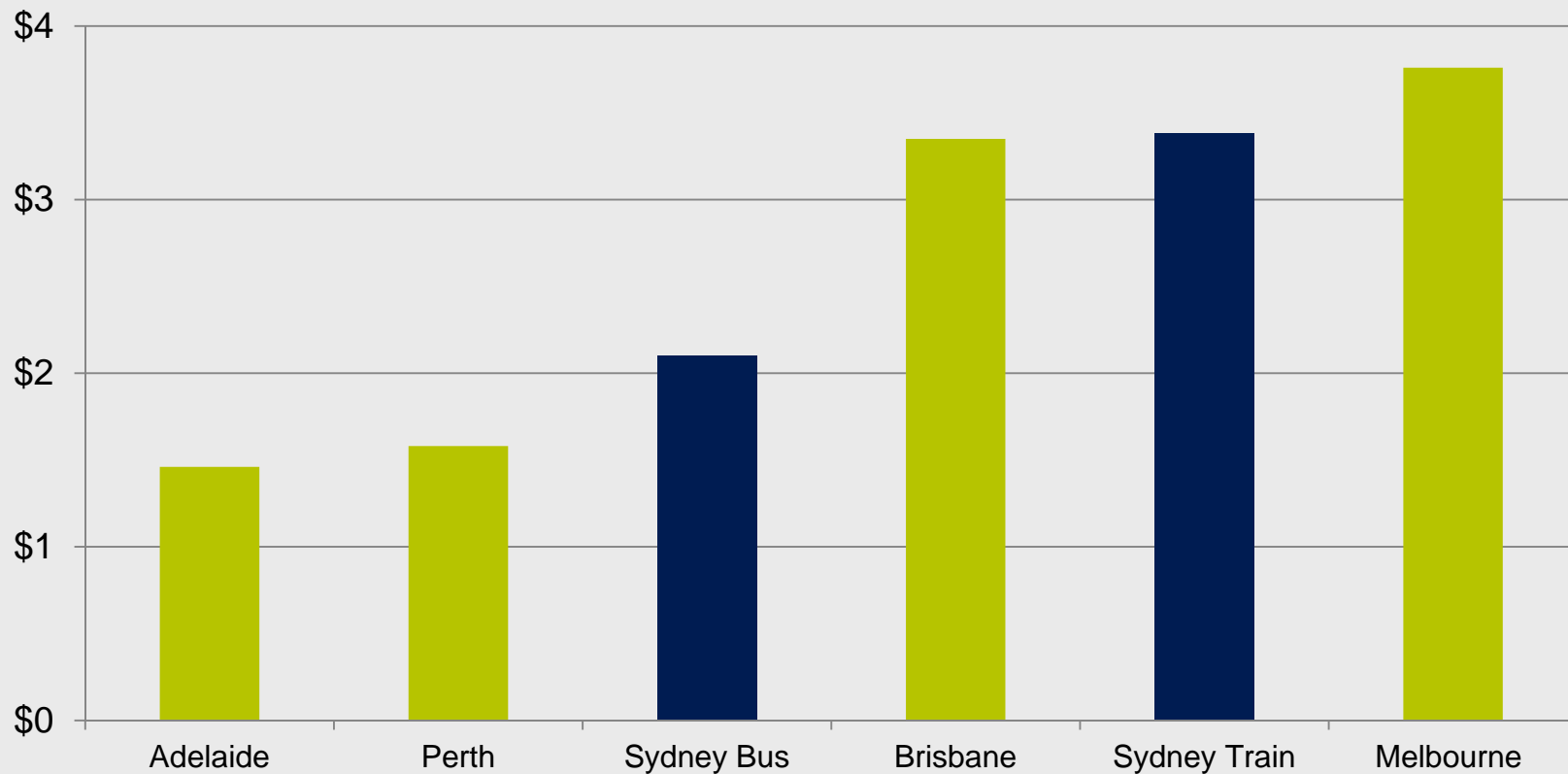


Long distance fares in Sydney are comparatively low



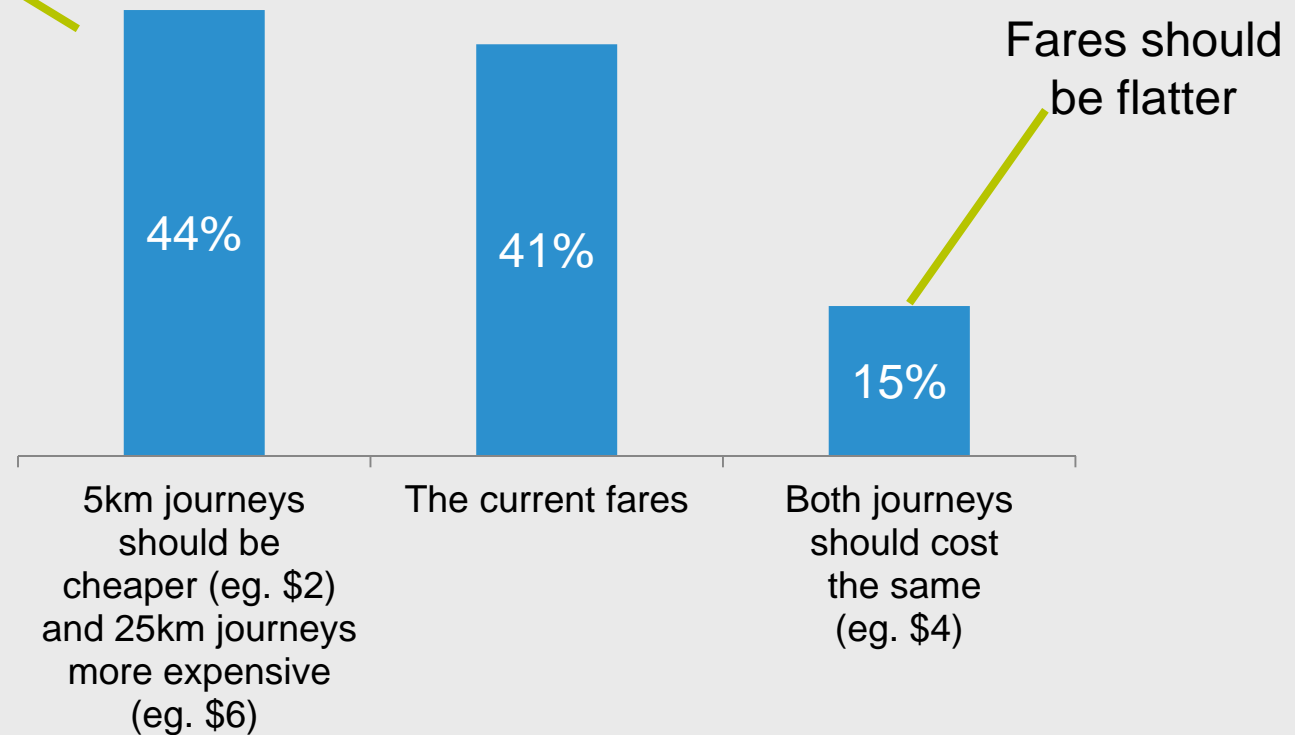
Short train fares are relatively expensive

Fare for a 2 km journey



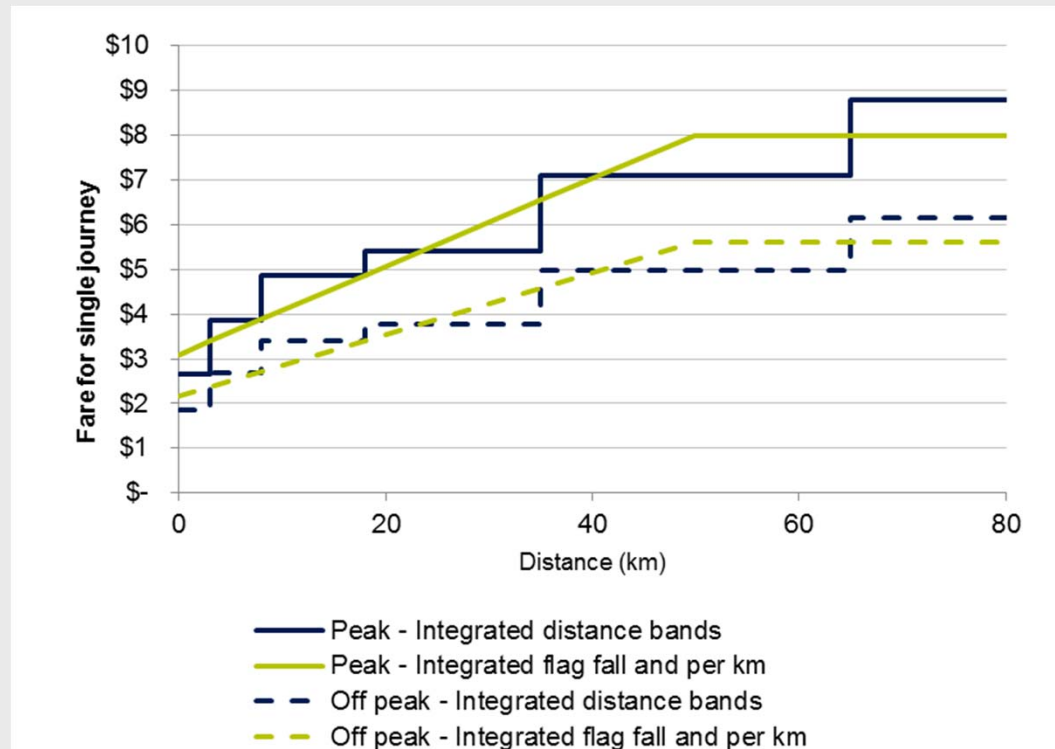
Should fares be flatter or vary more with distance?

Fares should vary more with distance



How should fares vary with distance

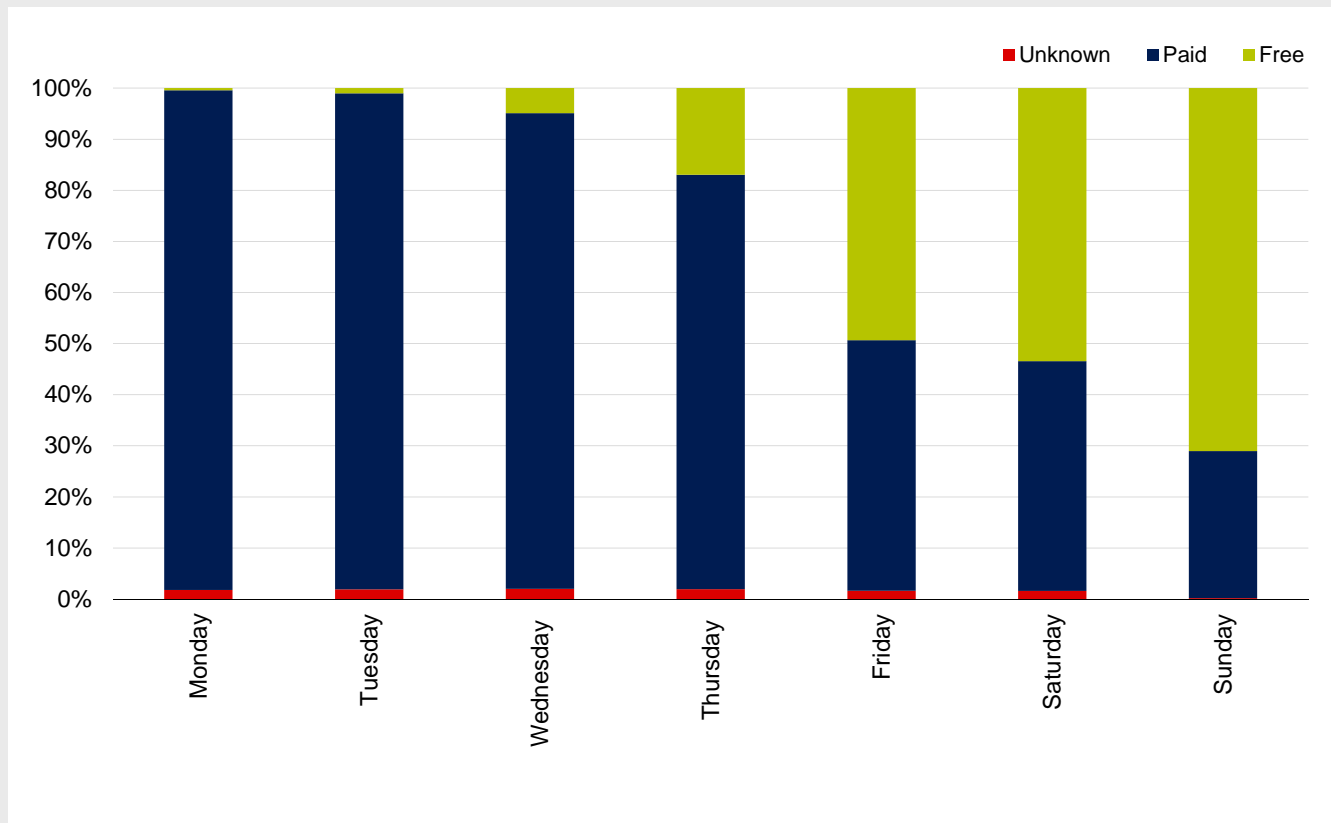
Many respondents wanted a flag fall and per km rate to smooth out the jumps between fare bands



Spatial fare structure

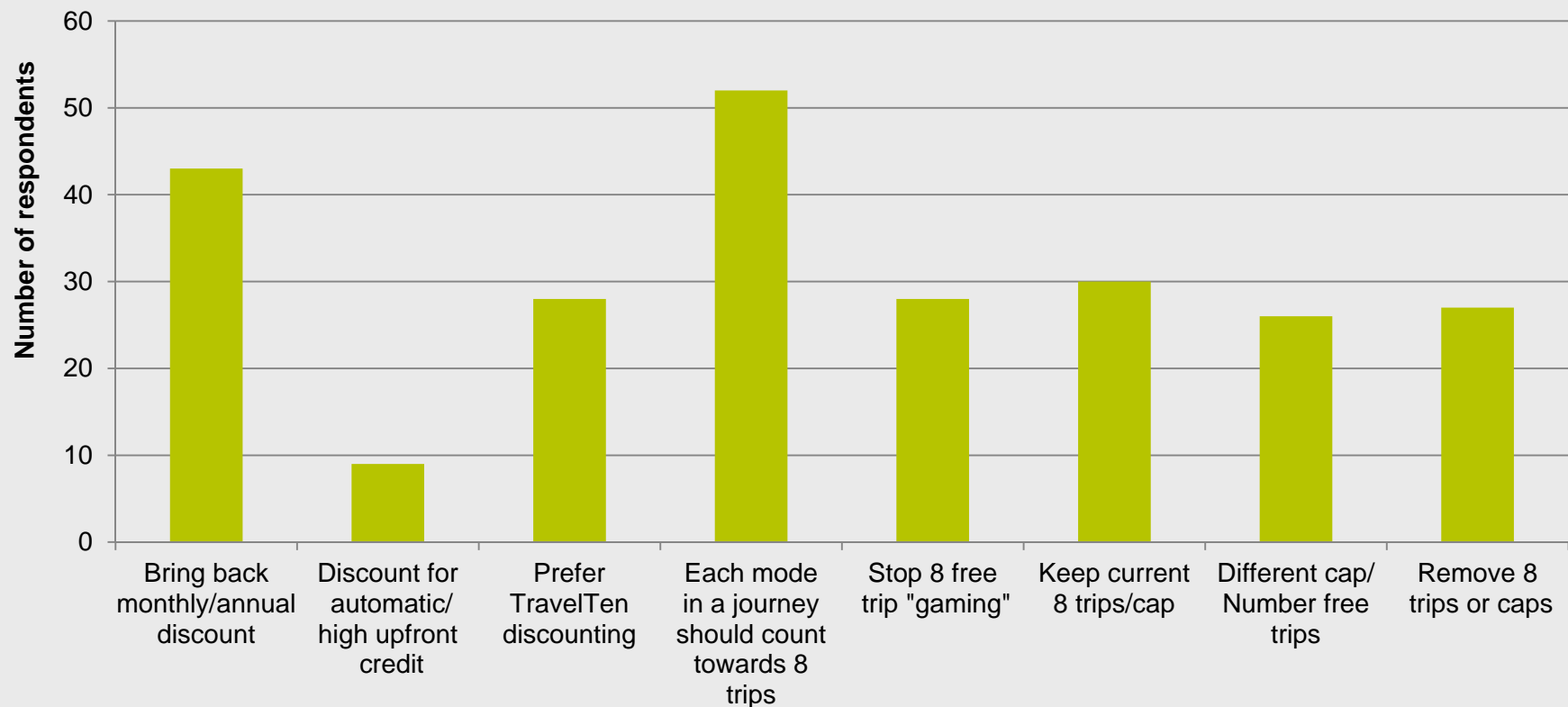
1. Do you support increasing fares for longer distance journeys with lower fares for shorter distance journeys?
2. Would you support moving to a per kilometre based distance charge?
3. Alternatively, would you support flatter distance bands (for example the same fare for all travel up to 35 km)?

Discounts for regular travel



Survey responses

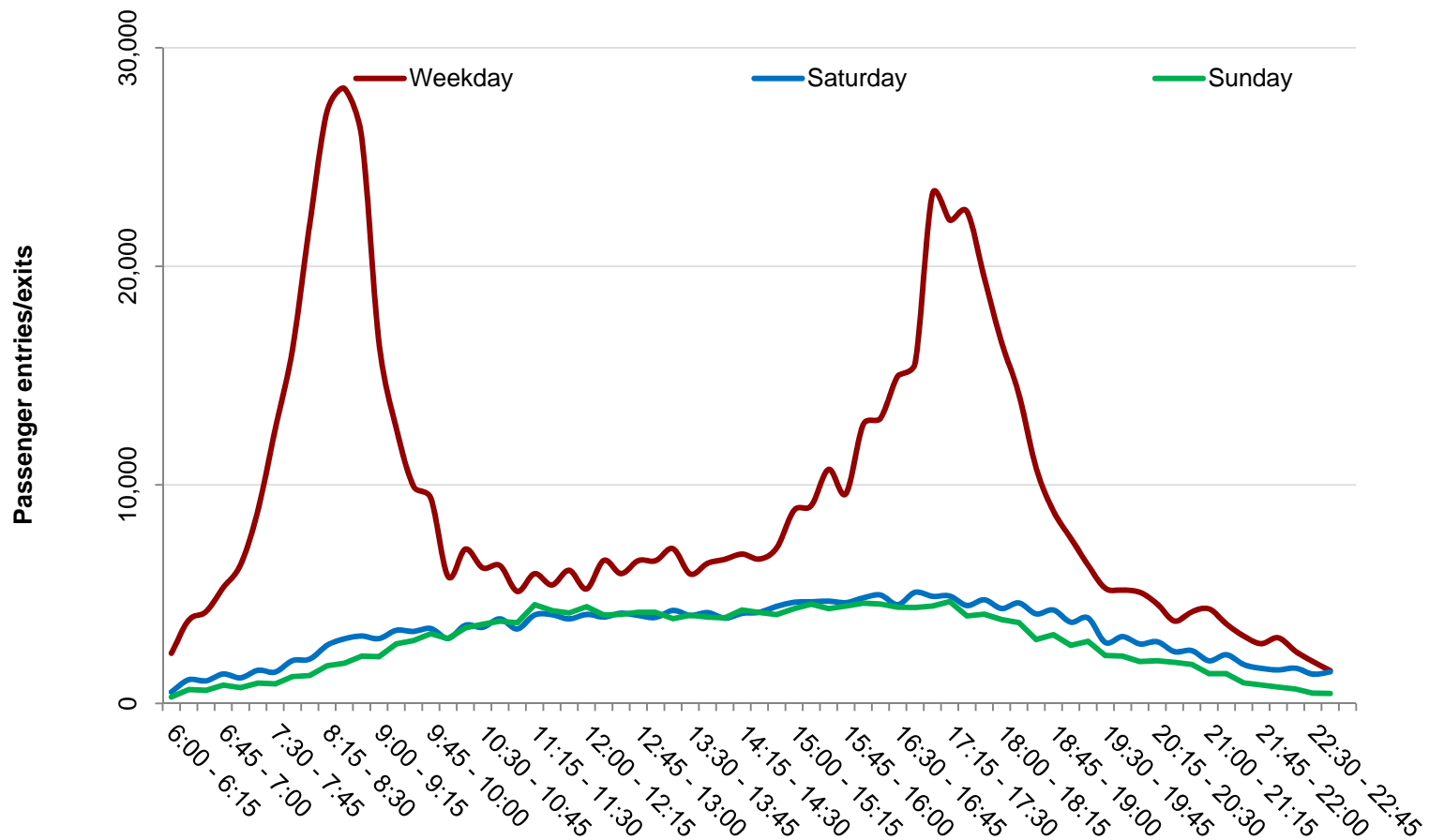
If there was one thing I could change about Opal...



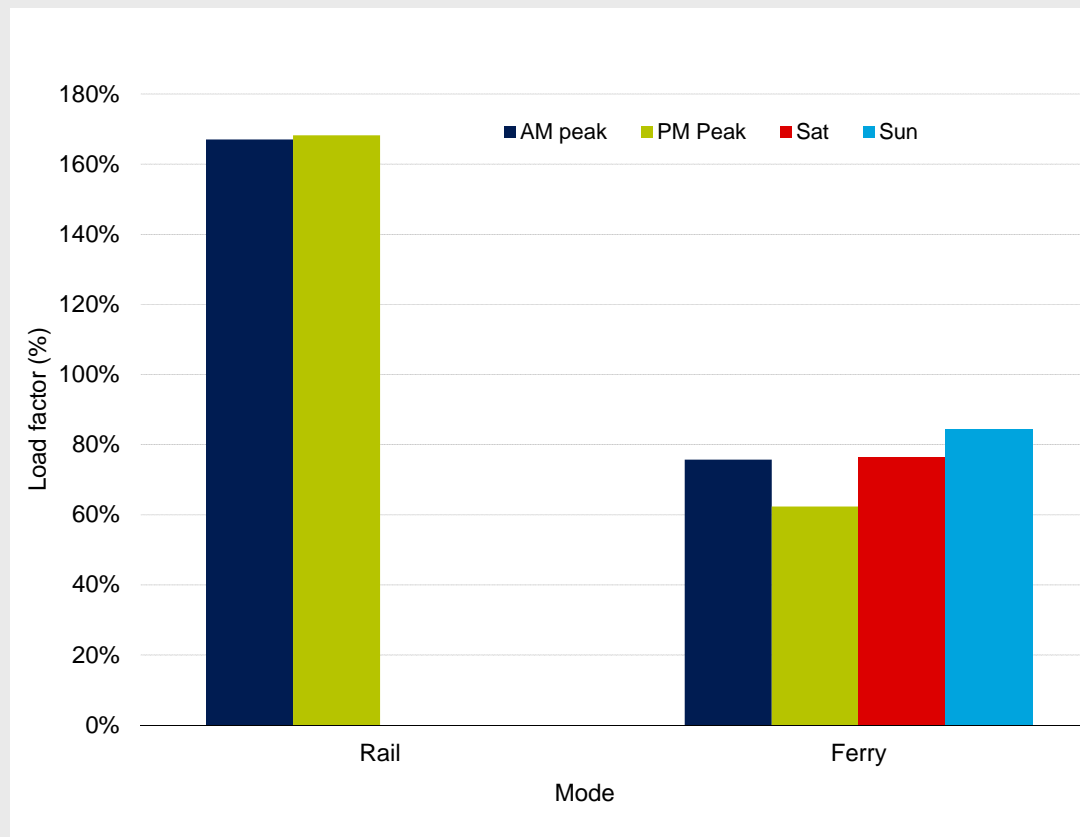
Discounts for regular use

1. How fair do you think the current discounts are?
2. What are your views on how the existing discount structure could be improved?

Why we have peak fares for rail

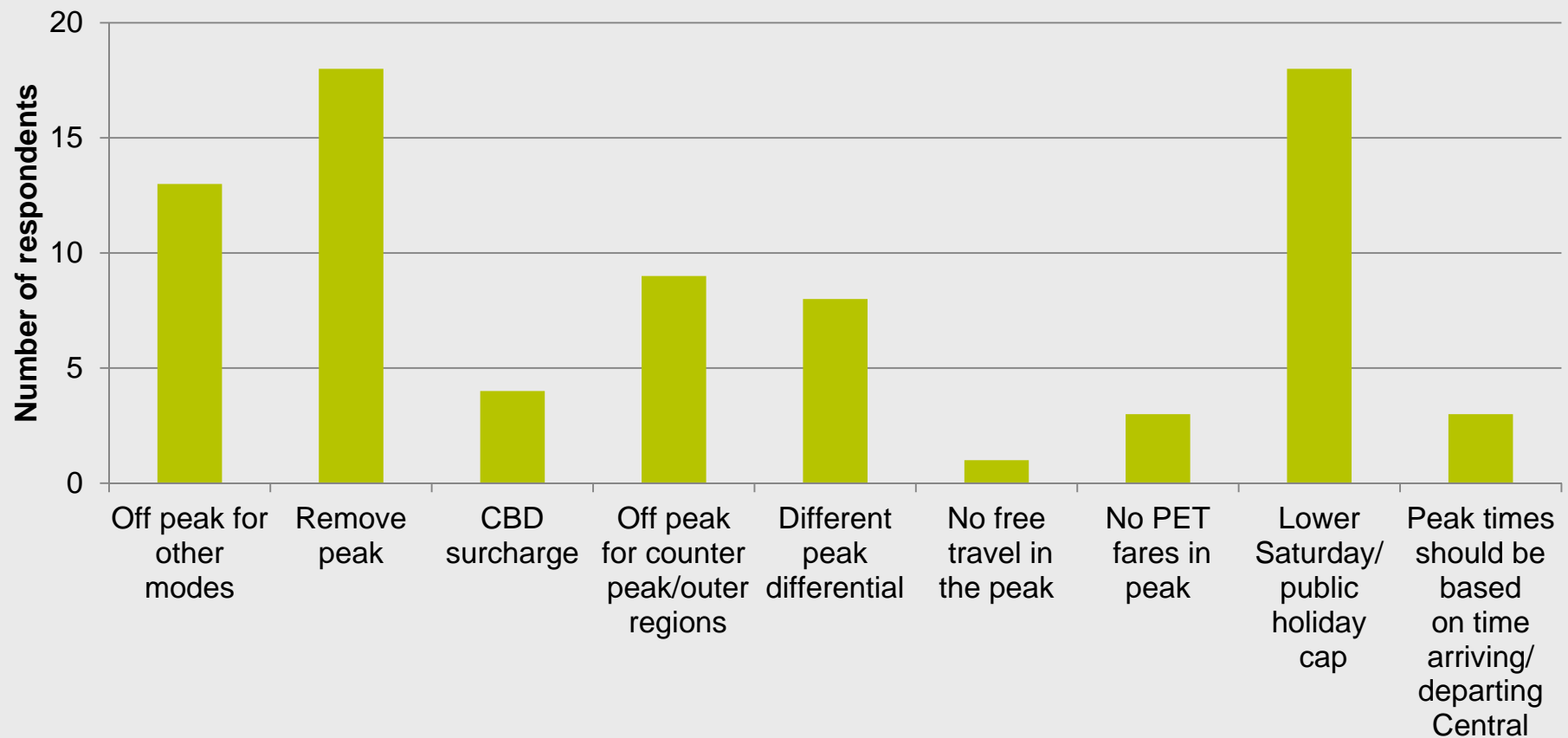


There are different peaks for different modes



Survey responses

If there was one thing I could change about Opal...



Gold Opal Card/Pensioner Excursion Ticket

Options

- ▼ Higher daily cap if used in peak times
- ▼ Charge concession fare in peak times, with \$2.50 cap only applying to off peak travel

The price should be \$5 a day because that would still be a good deal

Peak and off peak fares

1. What are your views about extending peak and off peak fares to other modes?
2. What improvements could be made to better encourage people to shift their travel patterns out of the peak?
3. Should any changes be made to the Gold Opal card fares?



Independent Pricing and Regulatory Tribunal

www.ipart.nsw.gov.au