

CPSA



**COMBINED PENSIONERS
& SUPERANNUANTS
ASSOCIATION OF NSW INC**

Submission to the Independent Pricing and Regulatory Tribunal (IPART)

re

Estimating the External Benefits of Public Transport Issues Paper

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Combined Pensioners & Superannuants Association of NSW Inc (CPSA)

Address: Level 9, 28 Foveaux Street, Surry Hills NSW 2010 **ABN:** 11 244 559 772

Phone: (02) 9281 3588 **Country Callers:** 1800 451 488 **Facsimile:** (02) 9281 9716

Email: cpsa@cpsa.org.au **Website:** www.cpsa.org.au **Donations:** 1800 451 488

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 has 130 branches and affiliated organisations with a combined membership of over 30,000 people living throughout NSW. CPSA's aim is to improve the standard of living and well-being of its members and constituents.

The availability, accessibility and affordability of public transport are of major concern to our members and wider constituency and CPSA welcomes the opportunity to provide comment on IPART's Transport Issues Paper *Estimating the External Benefits of Public Transport*. Transport is fundamental in ensuring access to services and enables participation in civil society through maintaining social connections with family and friends and engaging in the community.

CPSA believes that an accessible, well integrated public transport system is paramount for ensuring the social, physical and economic wellbeing of everyone in NSW. Yet in spite of this fundamental role played by transport, many people in NSW are unable to access and use the type of transport services which meet their needs. There is at present a heavy focus on commuter services at the expense of off-peak and rural services. Transport disadvantage is particularly prevalent in Sydney's outer metropolitan areas and in the state's rural and regional areas. However, particular groups are likely to experience transport disadvantage even in more populated locations. These groups include older people, people with disability, families with young children, youth, people from culturally and linguistically diverse backgrounds and indigenous communities.

Public transport plays a key role in supporting the physical and mental health and wellbeing of individuals, enabling people to remain active and engaged with their communities and to access essential services. This becomes increasingly important for people as they age, particularly for those who have ceased driving. Without a reliable, accessible and affordable transport system, such people are left isolated and unable to independently go about their daily lives.

CPSA is concerned that despite noting the social and health benefits of public transport, IPART will not be including this as one of the external benefits to be taken into account when setting fares. Whilst IPART acknowledges that people on low incomes tend to live further away from jobs and have fewer transport options, stating "we agree that public transport provides a benefit to society by improving access to transport for those who are less mobile and have lower incomes, and consider that this benefit may be significant"¹ this will not be taken into account as an external benefit in fare setting. CPSA strongly urges IPART to include social inclusion and health as external benefits and to take them into account when setting maximum fares.

CPSA realises that the proposed criteria states that external benefits should not be available to only a particular subset of people, however, CPSA argues that disadvantaged people should be adequately catered for so that they come closer to having equal access and are able to participate. Some of the external benefits currently being considered, such as lower road congestion, similarly do not benefit everybody, notably those who do not drive, yet there is an overall benefit to society. The same

¹ IPART (2014) *Estimating the external benefits of public transport*, p. 35.

applies to factoring in the health and wellbeing of low income people and those not living in metro areas. In fact, CPSA would argue that there is a benefit that goes beyond assisting these individuals but has a flow-on effect which benefits the entire community. The ability for people to remain active, particularly if they don't have access to a car, enables them to contribute to their communities, and can have a positive impact on keeping people out of hospitals and residential aged care, which is preferable not only to the individual but the wider community who contribute to the health and aged care system through taxation. Older people and people living on low incomes are more likely to travel off peak so this is increasingly relevant should IPART move towards separately identifying peak and off-peak benefits. CPSA supports IPART's proposal to estimate the external benefits for the network as a whole as well as for different modes and times of day.

Whilst concessions are outside the scope of IPART's remit with concessions policy determined by the NSW Government, the maximum fares set by IPART do impact directly on a number of concessions which are set at half fare. Increases in full fares have a direct proportional impact on the price of concessional fares and so any substantial increase is felt by those on low incomes who cannot access the Regional Excursion Daily or Pensioner Excursion Tickets. In addition, concessional fares are not available to all low income earners and income support recipients, particularly those who are not on a full rate Centrelink Allowance. As a result many low income earners are required to pay full fares, which are often higher in rural and regional areas making social participation and travel for casual work prohibitive.