

Submission to IPART on
*More efficient, more integrated Opal fares –
Draft Report*

February 2016

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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 has 119 branches and affiliated organisations with a combined membership of over 31,000 people living throughout NSW. CPSA's aim is to improve the standard of living and well-being of its members and constituents.

CPSA welcomes the opportunity to comment on the Transport – Draft Report *More efficient, more integrated Opal fares*. This submission focuses on concessions, particularly the Gold Opal pricing as this is the fare paid by the majority of our constituency.

Summary of recommendations

- 1. Seniors Card, Pensioner Concession Card holders and NSW War Widow/er Card holders should remain eligible for the Gold Opal card.**
- 2. Should eligibility for the Gold Opal card be tightened, Commonwealth Seniors Health Card holders should remain eligible so that public transport remains affordable for low-income self-funded retirees.**
- 3. That eligibility for the Gold Opal card be extended to those on Newstart Allowance and Youth Allowance.**
- 4. That Gold Opal fares be set independently at a flat rate, rather than set as a proportion of the Concession Opal or Adult Opal fare.**
- 5. There should be a clear weekly cap for each type of Opal card, with free travel for the week once that cap has been reached.**
- 6. That the online Opal card retailer tool include whether or not the retailer is accessible for people with mobility difficulties and that the Opal phone line can provide this information to callers.**
- 7. That paper tickets remain available at a cost comparable to Opal fares at the very least until all train stations and major interchanges have an accessible top-up machine or outlet.**
- 8. That Gold Opal and Concession Opal cards be made available at NSW Service Centres so that people can access fully subsidised fares immediately.**
- 9. That all Newstart recipients (including those in receipt of a part payment) remain eligible for concessional travel.**
- 10. That cancelled Gold Opal and Concession Opal cards can be quickly and easily reactivated online or over the phone, so customers do not have to reapply for a new card.**

1. IPART proposal: *Pensioner Concession Card holders and NSW War Widower/s Card holders should be eligible for a Gold Opal card. Seniors Card holders who do not also hold a Pensioner Concession or NSW War Widower/s Card should be eligible for a Concession Opal card.*

Social isolation, volunteering and unpaid caring activities

An accessible, affordable, well integrated public transport system is paramount in ensuring the social, physical and economic wellbeing of everyone in NSW. Public transport plays a key role in supporting the physical and mental health and wellbeing of individuals, enabling people to access essential services and to remain active and engaged with their communities. 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. Research has shown that socially isolated individuals generally have poorer health and wellbeing outcomes¹.

Subsidised public transport has flow-on effects that benefit the entire community, over and above assisting low income individuals. The ability for people to remain active, particularly if they don't have access to a car, enables them to contribute to their communities. This can have a positive impact on keeping people out of hospital and residential aged care. This is preferable not only to the individual, but the wider community. The tightening of eligibility for the Gold Opal card is likely to increase the social isolation of older people, the associated costs of which have not been considered by the IPART draft report.

Many Gold Opal card holders rely on their discounted fare to support their engagement in volunteer and community work, as well as to undertake unpaid caring responsibilities. A report produced in 2015 by National Seniors Australia and Associate Professor Elizabeth Brooke of Swinburne University of Technology estimated the value of unpaid care and volunteering hours by older Australians to total \$38.3 billion a year². This represents a substantial and important economic contribution, which will likely be undermined by the growing cost of public transport for older people in New South Wales. Volunteering Australia highlights that while over 65s are likely to spend the most hours doing voluntary work compared to other age groups, research suggests the financial cost

¹ Courtin, E. Knapp, M. (2014) 'Health and wellbeing consequences of social isolation and loneliness in old age' Available at <http://sscr.nihr.ac.uk/PDF/Findings/RF59.pdf> [accessed 25 January 2016]

² Brooke, E. (2015) 'Appreciating value: Measuring the economic and social contributions of mature age Australians' National Seniors Australia. Available at <http://nationalseniors.com.au/be-informed/research/publications/appreciating-value-measuring-economic-and-social-contributions> [accessed 28 January 2016]

of doing so is a significant barrier limiting their further involvement³. Moreover, older Australians represent a substantial proportion of unpaid carers⁴ and must be supported so that they can continue to undertake this important work. Increasing the cost of public transport, either through tightening eligibility for the Gold Opal or by raising fares, will increase the costs of volunteering and the costs of fulfilling unpaid caring responsibilities.

CPSA urges IPART to consider more holistically and with reference to society at large, the benefits and potential costs of changing eligibility for the Gold Opal card. The tightening of eligibility for the Gold Opal card will mean that public transport is no longer a viable option for many older people who previously received the \$2.50 discounted rate.

Eligibility for the Gold Opal card

Seniors Card holders

Currently, all NSW Seniors Card holders are eligible for the Gold Opal card in addition to Pensioner Concession and NSW War Widow/er Card holders. IPART has recommended stripping this back, on the basis that the NSW Seniors Card is not means tested and that public transport discounts should be targeted to benefit the least well off. CPSA highlights that the NSW Seniors Card is only available to permanent residents of NSW aged over 60 who are working less than 20 hours a week. CPSA notes that interstate Seniors Card holders remain eligible but are only able to access a Gold Opal card, which has a 60 day expiry.

CPSA rejects IPART's recommendation that NSW Seniors Card holders should be eligible for the Concession Opal on the basis that this would provide stronger peak/off peak price signals. As indicated on page 29 of IPART's draft report, the proportion of morning commuters travelling on a Pensioner Excursion Ticket (PET) or Gold Opal is very low. Crowding and lack of seating already act as significant disincentives to travel at peak times for older public transport users as well as those with a disability or limited mobility. CPSA highlights that those travelling on a PET or Gold Opal during peak times generally do so in order to get to necessary medical appointments, provide unpaid care to family or friends or to volunteer. Regardless of the incentives put in place, travel during peak hours is at times unavoidable for seniors and pensioners. CPSA urges IPART to consider that changes to the cost of peak travel may make it unaffordable for some people, which in turn will produce flow-on costs to the health and community sectors.

³ Volunteering Australia. (2015) 'Key facts and statistics about volunteering in Australia' Available at <http://www.volunteeringaustralia.org/wp-content/uploads/VA-Key-statistics-about-Australian-volunteering-16-April-20151.pdf> [accessed 28 January 2016]

⁴ Carers Australia. (2012) 'Statistics' Available at <http://www.carersaustralia.com.au/about-carers/statistics/> [accessed 28 January 2016]

Subsidised travel under the Gold Opal card should remain as a universal benefit for those over 60. CPSA is particularly concerned about Seniors Card holders aged between 60 and 65, who are unemployed, but below Age Pension age as they will be most disadvantaged by the proposed changes. CPSA has received numerous phone calls from low income Seniors Card holders in this category and who regularly use public transport. These people have indicated they will need to reduce their use of public transport should the changes go ahead.

CPSA is not against the NSW Government conducting more rigorous checks on Seniors Card applicants. CPSA has heard anecdotally that working hours are rarely checked upon application and so someone could easily be working more than 20 hours per week and still accessing the Gold Opal card.

Recommendation 1: Seniors Card, Pensioner Concession Card holders and NSW War Widow/er Card holders remain eligible for the Gold Opal card.

Should eligibility for the Gold Opal shift to a means-tested model, CPSA argues that Commonwealth Seniors Health Card holders should also be able to access the Gold Opal. This card is available to older Australians who do not meet the income and asset requirements to receive an Age Pension, but who have been assessed by the Department of Human Services as being on a moderate income.⁵

Recommendation 2: Should eligibility for the Gold Opal card be tightened, Commonwealth Seniors Health Card holders should remain eligible so that public transport remains affordable for low-income self-funded retirees.

Allowance recipients

In the interests of ensuring an equitable fare structure that targets discounts towards 'those for whom the cost of travel is a real barrier', eligibility for Gold Opal must be extended to Newstart and Youth Allowance payment recipients. For these groups, who receive substantially less in real terms than those on the Age Pension, Disability Support Pension or Carer Payment, the cost of using public transport at half fare under the Concession Opal is already prohibitive. CPSA notes and is supportive of asylum seekers being granted access to \$2.50 all-day travel.

Currently, the maximum fortnightly payment for jobseekers on Newstart is \$523.40 and \$433.20 for recipients of Youth Allowance. The weekly Concession Opal cap of \$30 thus absorbs around 12% of the weekly budget for jobseekers, rising to 15% for Youth

⁵ The income test for the Commonwealth Seniors Health Card is currently an annual income of less than \$52,273 for singles and less than \$83,636 for couples combined.

Allowance recipients⁶. This is clearly unaffordable, particularly when considered in conjunction with the high cost of renting in Sydney, which means that many of these people already experience considerable financial stress. Affordable public transport is essential for jobseekers travelling to interviews and students travelling to classes. Given the financial hardship faced by those on Newstart and Youth Allowances, they must be eligible for Gold Opal.

Recommendation 3: That eligibility for the Gold Opal card be extended to those on Newstart Allowance and Youth Allowance.

⁶ Based on current payment rates as at 1 February 2016.

2. IPART proposal: *The Gold Opal daily cap should be set at 40% of the concession weekday cap.*

IPART has recommended setting Gold Opal fares at 40% of Concession Opal fares, on the basis that the cost of public transport for pensioners has not increased from \$2.50 since 2005. IPART suggests that an immediate increase to \$3.60 is justifiable, as it reflects the growth in Consumer Price Index (CPI) over the last ten years. There are in fact a number of government rebates available to pensioners that remain unindexed. For example, the Council Rates Rebate for pensioners has been set at a maximum flat rate of \$250 since 1993. Until rebates such as this are increased to reflect price increases, pensioners should be able to enjoy the one concession where this works in their favour.

Setting the Gold Opal and Concession Opal fares as a proportion of the Adult Opal fare means that any increase to the full fare will produce an equivalent increase in subsidised fares. While the average commuter may be able to meet these growing costs, those eligible for subsidised travel are unable to do so. The discounted daily fare cap of \$2.50 for Gold Opal card holders makes public transport an affordable option for pensioners and older people. Although the concession fare is set at half the full adult fare – increasing to \$9 per day under IPART's proposed fee hikes – it is still prohibitively expensive for people on a low income. This is compounded by the growing cost of renting privately in Sydney, which has forced many out of inner metropolitan areas, thus increasing their need to travel longer distances via public transport. Any growth in the cost of public transport is significant for these people.

CPSA has received correspondence from a number of members stating that if the \$2.50 Gold Opal cap is to increase at all, they will no longer be able to afford to use the public transport system on a regular basis. A number have indicated that they intend to drive instead (in part due to the difficulties in easily topping up their Opal card). CPSA urges IPART to recognise that pensioners and low income earners are far more sensitive to marginal changes in price signals than the average public transport user. Accordingly they are far more likely to cease altogether using public transport if the proposed fare increases go ahead.

Recommendation 4: That Gold Opal fares remain at a flat rate, rather than set as a proportion of the Concession Opal or Adult Opal fare.

3. IPART proposal: *Customers should no longer receive free travel after making 8 journeys between Monday to Sunday. A weekly travel credit scheme should be implemented under which, at the end of the Opal week, a customer's Opal account is credited with the greater of: the customer's total expenditure minus the cost of the 10 most expensive journeys taken during the week, or the customer's total expenditure minus the weekly cap amount.*

It is not clear from IPART's draft report how the proposed weekly travel credit scheme will apply to Gold Opal card holders. CPSA seeks further clarification on the matter. However, CPSA makes the following comments based on the information available in the draft report.

The proposed weekly travel credit scheme is overly convoluted and difficult to understand for the average public transport user.

The proposal overwhelmingly favours commuters, who routinely use public transport and have stable usage patterns. Pensioners, older people, students and job seekers are more likely to use public transport in an ad-hoc manner, meaning that the trips taken and costs incurred are likely to vary from week to week. It is generally not possible for people who use public transport in this way to plan ahead, which is necessary under the proposed weekly travel credit scheme, as the Opal card balance must cover the full costs of travel for the week. This is a big ask for low income earners, many of whom would be topping up their card during the week when they receive their pension or allowance payment.

The weekly cap is even more important for people on a low income who are not eligible for a Gold Opal. Under the current arrangements, there is a clear weekly limit for each Opal card, which specifies the maximum a customer can be charged for travel in a weekly period, regardless of their usage patterns. This allows people to factor the maximum cost of public transport into their weekly budgets.

In the interests of ensuring a fare structure that is fair, efficient and understood by customers, CPSA recommends maintaining the current scheme under which each Opal card has a clearly defined weekly cap, with free travel once this limit has been reached.

Recommendation 5: There should be a clear weekly cap for each type of Opal card, with free travel for the week once that cap has been reached.

4. IPART proposal: *The premium on paper tickets should be 40% more than Opal pricing.*

CPSA rejects IPART's draft decision that paper ticket fares should be set 40% higher than the equivalent Opal journey. Until the accessibility and privacy issues with the Opal network are resolved, increasing the cost of paper tickets constitutes discrimination against pensioners and people with a disability.

Furthermore, setting paper fares 40% higher than Opal fares disproportionately and unfairly disadvantages people who are occasional public transport users as well as those who travel into an Opal area and do not have an Opal card.

Accessibility and privacy issues

CPSA has serious concerns about the accessibility of the Opal network to people with mobility difficulties. To increase the premium on paper tickets before these issues are resolved would risk contravening Article 9 of the *Convention on the Rights of Persons with Disabilities*, which specifies that parties must ensure appropriate measures are taken to identify and eliminate obstacles and barriers to accessibility.

Gold Opal card users are no longer able to purchase a \$2.50 paper ticket, nor can they purchase an Opal card from a retailer like 'Adult' Opal users can. This means that if a person requires a new card because it is faulty, or lost or stolen they must wait 5-7 business days for a new card and are required to purchase paper tickets in the interim. CPSA urges IPART to consider arrangements that would allow these people to access the discounted fare while they wait for their Gold Opal to arrive.

CPSA's most serious accessibility concerns are related to the top up function. The ability to top up the card manually is particularly important for people on low incomes, such as those reliant on the Age Pension or the Disability Support Pension. It means they can put money on the card as needed and not have it linked to their bank account, which may result in the card attempting to deduct money from their account when they don't have the funds, leaving them with bank fees and still no money for their trip.

CPSA conducted an analysis of Opal-enabled train stations and the nearest available top up facilities⁷. The key statistics indicated that in the weeks leading up to pensioner paper tickets being phased out entirely, only 85 stations, or 27% of all stations had a top up machine. For 29.7% of the remaining 229 stations, the nearest top up facility was, and potentially still is, more than one kilometre away. CPSA also investigated the accessibility

⁷ CPSA (December 2015) 'Opal top ups by station' Available at http://www.cpsa.org.au/files/Media_Releases/opal_top_ups_by_station.pdf

of Opal retailers, finding that at least 28% of retailers were inaccessible to wheelchair /walking frame users, with an alarming rate of confusion amongst retailers as to what constituted wheelchair accessibility. It also became apparent through the analysis that store opening hours impact the accessibility of the public transport system, as some retailers close or operate at reduced hours over weekends and holiday periods. CPSA has passed this analysis on to Transport NSW. CPSA has also contacted the Human Rights Commission and has received the support of the Age and Disability Discrimination Commissioner regarding the accessibility issues raised by Opal.

Recommendation 6: That the online Opal card retailer tool include whether or not the retailer is accessible for people with mobility difficulties and that the Opal phone line can provide this information to callers.

CPSA also has concerns regarding the privacy of Gold Opal and Concession Opal card holders. Many members have expressed concern to CPSA about requiring a registered Opal card. There is no option to purchase an unregistered card for either the half fare or Gold Opals. While it is understandable that eligibility needs to be determined, this process not only makes it difficult for those who need to travel at short notice, including those travelling into an Opal area, it also means that concession passengers cannot travel anonymously. These concerns have been raised with the Privacy Commissioner, who has publically expressed disappointment at the decision to cut the paper Pensioner Excursion Ticket and anonymous travel for concession holders⁸.

CPSA is concerned that paper tickets were removed prematurely, before top up infrastructure has properly established, and that older people and people with mobility difficulties are facing a system which is far less accessible. CPSA is also concerned that the privacy of those entitled to a concessional fare has been disregarded throughout the transition to the Opal system.

Recommendation 7: That paper tickets remain available at a cost comparable to Opal fares, at the very least until all train stations and major interchanges have an accessible top-up machine or outlet.

Ad-hoc public transport users

IPART's proposal that paper ticket fares be set 40% higher than Opal fares will disproportionately affect ad hoc public transport users. People eligible for Gold or Concession Opal cards are also disadvantaged by the wait time between ordering and receiving an Opal card. CPSA has been contacted by numerous people who are

⁸ NSW Privacy Commission (August 2015) 'NSW Privacy Commissioner disappointed with Transport for NSW's decision to cut Pensioner Excursion and TravelTen tickets from next year' Available at <http://www.ipc.nsw.gov.au/news-media/media-releases/nsw-privacy-commissioner-disappointed-transport-nsws-decision-cut> [Accessed 1 February 2016]

unaware of the need for an Opal card and assume that they can still purchase a paper ticket. This is particularly the case for non-regular users who have not been privy to the Opal advertising blitz which has occurred on public transport. There must be avenues in place to ensure these people are able to access fully subsidised Opal fares immediately.

Recommendation 8: That Gold Opal and Concession Opal cards be made available at NSW Service Centres so that people can access fully subsidised fares immediately.

Cancellation of Cards

There is also the issue that the Gold and Concession Opal cards can be cancelled permanently without warning, if Transport NSW receives information from Centrelink regarding a change in circumstances. CPISA notes that to be eligible for the Concession Opal as a jobseeker, one must be in receipt of the full rate of Newstart Allowance. However, this payment begins to reduce if a person earns more than \$102 in a fortnight. If a person undertakes casual work as a one-off, their Concession Opal card is cancelled and they have to obtain an entirely new card the next fortnight. Not only is this an administrative burden to both the user and Opal, if the cost of paper tickets increases above the half fare rate these people will be unable to access the concessional fare they are entitled to while waiting for their new Opal card to arrive. This arrangement is detrimental to jobseekers and does not support people to transition into employment.

Recommendation 9: That all Newstart recipients (including those in receipt of a part payment) remain eligible for concessional travel.

Recommendation 10: That cancelled Gold Opal and Concession Opal cards can be quickly and easily reactivated online or over the phone, so customers do not have to reapply for a new card.