



Conservation Council of the South East Region and Canberra (Inc)

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ICRC DRAFT ACTION PRICING DETERMINATION

The Conservation Council of the SE Region & Canberra is the peak non-government, environment organisation in the ACT. As an umbrella organisation, the Conservation Council represents the interests of over 35 community and conservation organisations in the ACT and the south east region of NSW as well as the broader environmental interests of all citizens of the ACT. The Conservation Council's mission is to achieve the highest quality environment for the ACT and surrounding region.

One of the Conservation Council's key campaign areas is Sustainable Transport. The Council's aim is a sustainable transport system for the ACT that reduces negative environmental impacts and dependency on the private car. To achieve this Canberra needs a high quality public transport service that competes successfully with the private car. If this is to occur it is clear that a major increase in patronage on ACTION buses is required.

Consequently, the Conservation Council strongly supports the ICRC's determination that proposes no change to the weighted average fare price cap for the next two years as:

- Previous price increases have been accompanied by a decrease in patronage (p23);
- Previous price decreases have been accompanied by an increase in patronage, exemplified in the recent introduction of a single zone fare across Canberra (p23) and most particularly in Gungahlin (p24);
- Pricing increases will affect the most socially disadvantaged in the community, who comprise the majority of ACTION patrons (p23);
- Public transport suffered a major pricing disadvantage over private car transport, starting July 2000, when an 11.6% increase occurred as a result of the GST (8%), CPI Indexing plus 1% (3.6%). In comparison, the cost of cars decreased, as did the cost of fuel (P21);

Increased patronage is needed to save the environmental costs imposed by private car travel in terms of local air and noise pollution leading to loss of amenity, global air pollution leading to climate change, habitat destruction and road kills of native animals from demand driven construction of new roads. Increased patronage is desirable to increase

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the farebox return to ACTION and thus decrease the costs of public transport to the public purse. Private motorists who become ACTION patrons are, in fact, better off financially as the cost to the patron of travelling by public transport is less than the cost of travelling by private car.

For the same reasons, the Conservation Council supports the extension of the price freeze to cover the full three years of the pricing determination, noting that an increase in Year 3 would have little effect on ACTION's overall financial position.

The Conservation Council agrees with the Commission that there are many other factors than fare price affecting the choice between private and public transport including availability and cost of car parking; and safety, reliability and comfort of public transport (p27). However, the most important factor in allowing public transport to compete successfully with the private car in the 21st century is the duration of journeys from starting point to destination and back. Examples of this are the high patronage levels of Perth's northern rail line and Brisbane's busway. To successfully compete with the car, ACTION needs to increase the number, frequency and directness of its services. Its vehicles also need to have priority over, and on main traffic arteries complete segregation from, other traffic. Other initiatives include purchasing buses that use a cleaner fuel, improved bicycle parking facilities at interchanges and park 'n ride sites and a trial of bicycle racks on buses.

Additional government funding would be necessary to allow these improvements in services, at least initially, until farebox revenue improved as a consequence of increased patronage. The Conservation Council urges the Commission to include in its final determination a recommendation that the Government increase its funding to allow ACTION to increase the number, frequency and directness of its services. *It is time that Government funding of ACTION is regarded as an investment in environmental and social capital, rather than being regarded as a subsidy.*

It is also appropriate that the Commission consider the impacts of different fare types on patronage. For example, the Government promised, during the 2001 election campaign, to extend the Pensioner Off Peak Daily ticket to cover all hours; this it has not yet occurred. This Off-Peak ticket is also available to holders of Senior Cards who, given the ageing of our population, thus provide a potential for further increase in patronage. The unavailability of the ticket before 9am and between 4.30pm and 6pm provides a penalty for those eligible users who need to carry out part of their travel during the restricted periods resulting in them having to buy an adult fare ticket as well as the Off-Peak ticket. It acts as a disincentive to travel.

Conclusion

ACTION provides a vital service to the Canberra Community. It will also play a pivotal role in determining the type of city Canberra will become in the next 5 to 15 years. On this note it is vital that there be:

- no price increase for the next three years as any price increases equates to a decrease in patronage,
- further initiatives that allow ACTION buses to compete successfully with private cars; and
- additional government funding to allow improvements in services.

Please contact Nicola Davies on 6247 7808 if you would like to discuss these issues further.

Yours sincerely

Nicola Davies
Director

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