

*Metro can't assume that people on a concession card are always flexible.
They have appointments, they work, they volunteer, they have
commitments.*

(including the views of 21 people who use or support people who use public transport)

SUBMISSION TO

Office of the Tasmanian Economic Regulator
2014 Investigation into the Pricing Policies of
Metro Tasmania Pty Ltd.



May 2014

Introduction to Anglicare Tasmania

Anglicare is the largest community service organisation in Tasmania with offices in Hobart, Glenorchy, Launceston, St Helens, Devonport and Burnie, and a range of programs in rural areas. Anglicare's services include emergency relief and crisis services, accommodation support, employment services, mental health services, acquired injury, disability and aged care services, alcohol and other drug services, and family support. In addition, Anglicare's Social Action and Research Centre conducts research, policy and advocacy work with a focus on issues affecting Tasmanians on low incomes.

Anglicare Tasmania is committed to achieving social justice for all Tasmanians. It is our mission to speak out against poverty and injustice and offer decision-makers alternative solutions to help build a more just society. We provide opportunities for people in need to reach their full potential through our services, staff, research and advocacy.

Anglicare's work is guided by a set of values which include these beliefs:

- that each person is valuable and deserves to be treated with respect and dignity;
- that each person has the capacity to make and to bear the responsibility for choices and decisions about their life;
- that support should be available to all who need it; and
- that every person can live life abundantly.

For further information about this submission please contact:

Rev. Dr Chris Jones

Anglicare Tasmania
GPO Box 1620
HOBART TAS 7001

Phone: (03) 6213 3562

Email: c.jones@anglicare-tas.org.au

Contents

Introduction to Anglicare Tasmania.....	2
Contents.....	3
Executive Summary and recommendations	4
Recommendations	4
Response to the Regulator’s draft report March 2014.....	5
Chapter 7: Alternative fare structures.....	7
Appropriateness of alternative fare structures	7
Trade-off between multiple ticketing and payment options and a desire for simplicity	8
Other matters on Metro’s proposed fare structure or other fare structure options.....	9
Conclusions	10
References	11

Executive Summary and recommendations

Increasing the cost of buses will increase our costs, anxiety and stress. Many of us have had traumas.

Participant in Anglicare research, April 2014

Anglicare Tasmania welcomes the opportunity to provide a submission to the Investigation into the Pricing Policies of Metro Tasmania Pty Ltd.

Both the Government and Metro recognise the important role that public transport plays in people's lives. Use of public transport has been linked to reducing traffic congestion, reducing carbon emissions, providing more opportunities for physical exercise and reducing social isolation for people who do not have a car.

Anglicare encourages a policy path which will reduce disadvantage for this essential service. Anglicare knows that people who are disadvantaged cannot afford to pay more and they need the transport system to be improved to ensure reliable services at an affordable price.

In April 2014, Anglicare interviewed 21 people to assist us with this submission. Participants were recruited through three neighbourhood centres in Hobart's northern suburbs. Those interviewed either used public transport as their main means of transport or worked closely with members of the local community who rely on public transport. This submission focuses on their experiences and also draws from other Anglicare research and the expertise of Anglicare's service delivery staff. Our comments focus on chapter 7 of Metro's submission, which covers the proposed new fare structure.

Recommendations

In response to the advice provided by Anglicare's research participants, Anglicare recommends that Metro:

- **Provide express buses in off-peak times;**
- **Set Concession fares at a flat rate regardless of time of travel;**
- **Continue to provide a 90-minute transfer for yellow tickets;**
- **Not raise the minimum top-up for Greencards above \$5 and explore reducing the minimum top-up;**
- **Offer more agents for the sale of Greencards; and**
- **Simplify the application process for Greencards, including the literacy level required and extending the capacity to apply over the counter.**

Response to the Regulator's draft report March 2014

Anglicare has more than 30 years of experience delivering services to help people overcome disadvantage. Anglicare also conducts research about the effects of disadvantage on individuals and communities and provides advice to State and Federal Governments on effective ways to reduce disadvantage. Anglicare's recent research on these issues includes the *Tasmanian Food Access Research Coalition (TFARC) Research Report* (Le et al. 2013), which looked at food security in two Tasmanian municipalities; *The Price of Poverty* (Flanagan & Flanagan 2011), which looked at the cost of living for low-income Tasmanians; *Hard Times* (Flanagan 2009), which looked at causes and experiences of Tasmanians in financial crisis; and *My Life as a Budget Item* (Hinton 2006), which looked at the experience of people living with a disability in Tasmania.

All these pieces of research found that public transport is an essential service for Tasmanians on low incomes. For example, people receiving Disability Support Pension or Newstart Allowance, single parents, people under 24 years of age or households with someone experiencing a serious illness are most likely to find "other transport costs" (including public transport) a problem for their household (Flanagan 2009, p. 81). The cost of private transport (car registration, repairs and maintenance, and the cost of petrol) was often difficult for low-income Tasmanians but was considered necessary due to the problems they faced with public transport (Flanagan 2009, p. 80, 84). For these reasons, Anglicare argues that the Government has a responsibility to ensure that public transport is available and affordable for low-income Tasmanians.

In 2009, the Government Prices Oversight Commission (GPOC) reported on Metro's pricing policies. The Government's primary objective in subsidising public transport is reportedly 'to mitigate the impact of transport and socio-economic disadvantage and by doing so meet the essential travel needs of the community' (GPOC 2009, p. 159). While GPOC was asked to identify how to make full adult fares achieve full cost recovery for Metro, the Government chose to implement a lower level of fare because full cost recovery would discourage people from using buses (Hansard, 23 June 2009, Graeme Sturges, p. 84). Anglicare supports this approach.

However, Metro has now brought back to the table the recommendations of GPOC for adult peak cash fare full cost recovery and for changing the way in which concession and student fares are calculated in relation to the full adult fare.

Anglicare encourages the Government to continue to mitigate disadvantage and ensure all Tasmanians have access to affordable transport to school, work, health and civic activities. Rather than focusing on full cost recovery from within Metro's fare structures, Anglicare argues that the Government should take into account in its budgeting the cost savings that investing in public transport brings through decreased costs for roads, carbon emissions, car parking facilities and health. This was, in part, a recommendation from the 2007 review of core passenger services (Pauley 2007, p. 52).

Anglicare knows that disadvantaged people cannot afford to pay more. Since 2001, Anglicare has been providing the cost of essentials benchmark for the Tasmanian *Together* Plan. We have learnt that while the cost of goods and services have gone up for everyone in this time, the costs of essentials as a proportion of income, particularly for a family dependent on Newstart allowance in private rental or purchasing their own home, has placed vulnerable people under tremendous financial stress (Anglicare 2012).

Other research has shown that barriers to accessing food outlets such as 'expensive petrol, lack of private transport, lack of public transport and physical limitations' is an important determinant of food security (Le 2013, p. 2).

An increase in demand for public transport and increased travel by bicycle and on foot is expected as petrol prices increase (Office of the State Architect 2011). Tasmania's capital city is not ready for this: Hobart ranked 17th for transport in the Australian sustainable cities index (Office of the State Architect 2011). The Liberal party recognised the importance of affordable and accessible transport in reducing social isolation for disadvantaged Tasmanians in their 'A Hand-up for vulnerable Tasmanians' plan to rebuild essential services (Tasmanian Liberal Party 2014), where they outlined a plan to 'provide better integrated and coordinated transport services for Tasmanians disadvantaged through poverty, frailty, age or disability, to reduce social isolation' (p. 10).

Metro agrees that public transport brings broad benefits which reduce social inclusion, decrease traffic congestion and lower the carbon footprint and that full cost recovery should not be the priority (Metro 2014, p. 7). Metro's proposal is to set adult peak cash fares to achieve cost recovery less a subsidy for the broader benefits. While Anglicare supports the recognition for broader benefits from public transport, we are concerned that any move for cost recovery that links full-fare to concession fares will have financial impacts for disadvantaged Tasmanians that put them at further disadvantage.

Anglicare believes any changes to public transport should be considered in an integrated way that incorporates other priorities such as public health, employment opportunities, climate change, community development, urban planning and reducing disadvantage. We support an approach that recognises that the inherent value of public transport cannot be traded off against efficiencies and profits. As identified in the foreword of the Tasmanian Urban Passenger Transport Framework, we 'need to make the right decisions now' (DIER 2010). Anglicare believes this means ensuring that those people who most need public transport have reliable and regular services at an affordable price.

Chapter 7: Alternative fare structures

In their submission to the Regulator, Metro argues that the current sectional urban fare structure is complex and inequitable (Metro 2014). They propose to replace the section system with a zonal system, introduce distance-based fares for concession passengers based on zones, provide incentives for traveling in off-peak, offer weekly and monthly passes, restrict cash fares to single trips only, and set adult peak cash fares for cost recovery.

Appropriateness of alternative fare structures

Anglicare's concerns about public transport are primarily with its physical and financial accessibility for low-income earners. Anglicare believes that policy changes that affect public transport must take the needs of low socio-economic areas into account. The latest socio-economic indexes for areas (SEIFA) show that Bridgewater-Gagebrook, Risdon Vale, Rokeby, Mornington-Warrane and Glenorchy are the most disadvantaged areas in Hobart (ABS 2013). Anglicare notes that of these areas, only Glenorchy, Risdon Vale and Mornington-Warrane fall within the proposed Central Zone, where individuals would expect to be able to access all required services. We are concerned that people in Bridgewater-Gagebrook will be disadvantaged by having to travel through three zones to get to centralised services such as courts and the hospital.

There is an assumption made in Metro's submission that most short trips are to a nearby service centre (Metro 2014, p. 73). The majority of participants in Anglicare's research said their bus travel to services was not a short trip. All those living in Gagebrook said they travelled to Glenorchy, Claremont or Hobart city. Bridgewater and Goodwood participants travelled mostly to Glenorchy or Hobart city. Most of these journeys had to be taken at particular times in order to attend appointments at the hospital, Centrelink, doctor's surgery, court etc. Under the proposed zonal system this would mean travel across multiple zones for some of the most disadvantaged people in the Hobart area.

Travel time from the northern suburbs to Hobart city was also an issue. It can take an hour and a half by bus from Gagebrook to get to an appointment in Hobart city. This means that they often have to travel during Metro's peak times to meet their commitments. Participants also said there are more buses in peak time, and more express buses, which decreased the travel time. This was especially important for travel from areas where people need to catch more than one bus to complete their journey.

Recommendation: Metro provide express buses in off-peak times.

The limited number of buses for certain routes means that people need to travel in peak periods even for short trips. One participant explained, 'There is only one bus every hour from Glenorchy to Goodwood so to get here [Goodwood Community Centre] on time I have to catch the 8.40am bus. I have to travel in peak time.' Other participants also spoke of having to travel in peak periods to get to appointments. 'One of our members [in Gagebrook] is lucky enough to have a kid at uni. It can take more than three hours bus travel each way. You're unable to avoid peak times,' he said.

A worker at Goodwood explained, 'Metro can't assume that people on a concession card are always flexible. They have appointments, they work, they volunteer, they have commitments.'

Family support workers said that sometimes their clients do not attend appointments if they have been given appointment times that are difficult for them to get to due to timing or cost. 'The hospital and the court are not always flexible and people either miss them or arrive late and are

penalised,' explained a worker. 'They may need to be back for school pick-up and there is no way they can do both on public transport.' As one participant explained, 'Not all concession card holders can get appointments inside off-peak bus times'.

Participants agreed that they can be flexible with the time of travel for social activities but often the timing of other travel is beyond their control. They felt that any measures that made it more expensive for them to travel when they were trying to get work, trying to get well, or trying to contribute to their community were 'crazy', 'discriminatory' and 'ridiculous'.

Metro's analysis appears to be based on the distance travelled on a full adult fare, as they do not have data on the average distance travelled by people holding a concession card (Metro 2014, p. 76). As our interviews show, people with a concession card often have to travel long distances to get to appointments. Metro concedes that concession card holders traveling across two zones would be adversely affected by the new system but claim that the off-peak concession fare would offset this increase (Metro 2014, p. 76). As our participants explain, off-peak travel is often not possible.

Recommendation: Metro set Concession fares at a flat rate regardless of time of travel.

Another difficulty is being able to afford transport. As one worker explained, 'Sometimes our clients only have a day's notice that they are required in the city and they can only find enough money for a cash fare, not for topping up a Greencard.'

Trade-off between multiple ticketing and payment options and a desire for simplicity

Participants and workers interviewed in the three areas said a lot of people use cash only and many returned home using the 90-minute transfer permitted on their cash tickets.

One participant in Bridgewater said, 'I always use the 90 minute cash ticket transfer. I go into the city, run around like a, you know, and do my chores quickly and return on the same ticket.' He explained this saved him significant amounts of money on his tight budget.

Anglicare workers buy yellow tickets, which are redeemed on board for a paper ticket, to issue as needed to our clients. It would cost significantly more if these yellow tickets no longer allowed our clients to return on a 90-minute transfer. We are often not in a position to wait for a client to apply for a Greencard before we assist them with travel and many of our clients do not have stable addresses so would have difficulty applying for a Greencard. Many other service providers would also be in a similar position, with the increased costs affecting capacity to deliver services.

Recommendation: Metro continue to provide a 90-minute transfer for yellow tickets.

Some participants had a Greencard and appreciated the discounted fares and being able to top up the card with small denominations on the bus. It was felt that the Greencard can help with budgeting because it quarantines money for travel. But other participants had concerns about locking up much-needed cash in a card: 'It would be a risk to have \$20 out of my budget put into Greencard as I don't know when I may need to travel by bus again and I don't know what else needs to be paid.' There were also concerns about needing \$5 upfront to buy the card and needing \$5 for the minimum card top-up: 'I wouldn't always have enough cash to top the card up.'

Recommendation: Metro not raise the minimum top-up for Greencards above \$5 and explore reducing the minimum top-up.

Many people explained that their travel was 'spontaneous', often a result of finding out they had an appointment or that they needed to 'sort out my life'. This meant that expenditure on travel was not fixed and often was a response to issues outside their control.

Some participants were worried they would not be able to keep their Greencard safe:

I'd be worried about losing me card and losing me money [on the card].

I try to wait until I can get a day tripper. I always use cash. I've never thought about having a card. All my trips are to the city, to the hospital mainly. I don't think I could look after a card.

Many participants were confused about how to apply for a Greencard. One man said, 'I applied a few times but never received a card. I thought it would come in the post.' Other participants knew they could apply online or by filling in a form at a Metro office but believed that they had to return to collect the Greencard. Since most participants did not have home internet facilities they would need to travel to apply for a card. With the closure of the Bridgewater Greencard agent, the closest Greencard agency for people living in the northern suburbs is at Glenorchy, two zones and approximately \$1.90 away (based on Concession cash off-peak travel).

Application for a Greencard is complicated and lengthy. The form requires a level of literacy that many of our clients and participants interviewed do not have: 'You need a computer to do it at home, you need money to get to a Metro shop and you need skills to fill in the form'. They asked if the application process can be made easier. They also asked for more places where they can apply for a Greencard and top the card up, suggesting that it be a service provided by post offices and Service Tasmania.

Recommendation: Metro offer more agents for the sale of Greencards.

Recommendation: Metro simplify the application process for Greencards, including the literacy level required and extending the capacity to apply over the counter.

Other matters on Metro's proposed fare structure or other fare structure options

Participants explained that public transport is important to them as it is often the only way they can get to commitments. For this reason, they were anxious about the proposed changes:

Increasing the cost of buses will increase our costs, anxiety and stress. Many of us have had traumas. The cost of three or four children plus adults becomes prohibitive to going anywhere as a family.

Even an increase of 10 cents per journey if I travelled three or four times a week, this would make a difference.

Anglicare asks Metro, the Regulator and the Government to place the needs of low income and disadvantaged Tasmanians in the forefront of discussions about Metro's pricing policy.

Conclusions

Disadvantaged Tasmanians rely on public transport for a range of commitments. Their travel and the timing of that travel are often determined by a government agency. Low-income Tasmanians report that they often struggle to find enough money for a one-way fare. Service providers have assisted through the issuing of yellow tickets, which are often used under the 90-minute cash transfer system.

For these reasons, Anglicare asks the Government to ensure that the pricing policies for Metro include measures that assist people on low incomes to use public transport.

References

Anglicare Tasmania 2012, *The cost of essentials in Tasmania*, Anglicare Tasmania, Hobart, viewed 14 April 2014, <<http://www.anglicare-tas.org.au/docs/research/tasmania-together---cost-of-living-indicator-for-tasmania.pdf>>.

Australian Bureau of Statistics (ABS) 2013, *New data from the 2011 Census reveals Tasmania's most advantaged and disadvantaged areas*, media release, 28 March, viewed 14 April 2014, <[http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2033.0.55.001~2011~Media%20Release~2011%20Census%20\(SEIFA\)%20for%20Tasmania%20\(Media%20Release\)~7](http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2033.0.55.001~2011~Media%20Release~2011%20Census%20(SEIFA)%20for%20Tasmania%20(Media%20Release)~7)>.

Department of Infrastructure, Energy and Resources (DIER) 2010, *Tasmanian Urban Passenger Transport Framework*, DIER, Hobart.

Flanagan, J & Flanagan, K 2011, *The price of poverty: the cost of living for low income earners*, Anglicare Tasmania, Hobart.

Flanagan, K 2009, *Hard times: Tasmanians in financial crisis*, Anglicare Tasmania, Hobart.

Government Prices Oversight Commission (GPOC) 2009, *Investigation into the Pricing Policies of Metro Tasmania Pty Ltd: Final Report*, viewed 14 April 2014, <[http://www.gpoc.tas.gov.au/domino/gpoc.nsf/LookupFiles/Consolidated_Final_Report_Metro_May_2009.pdf/\\$file/Consolidated_Final_Report_Metro_May_2009.pdf](http://www.gpoc.tas.gov.au/domino/gpoc.nsf/LookupFiles/Consolidated_Final_Report_Metro_May_2009.pdf/$file/Consolidated_Final_Report_Metro_May_2009.pdf)>.

Hinton, T 2006, *My life as a budget item: disability, budget, priorities and poverty in Tasmania*, Anglicare Tasmania, Hobart.

Le, Q., Murray, S, Long, G, Auckland, S, Etchells, T, Flanagan, J, Hughes, A, Nguyen, H B, Musgrave, S, Peaty, G & Schultz, S 2013, *Tasmanian food access research coalition TFARC research report*, Tasmanian Food Access Research Coalition, Hobart.

Metro 2014, *Submission to the Office of the Tasmanian Economic Regulator: 2014 Investigation into the Pricing Policies of Metro Tasmania Pty Ltd*, Metro Tasmania Pty Ltd, Hobart.

Office of the State Architect 2011, *Hobart Capital City Plan 2011-2040, Draft for public consultation*, Office of the State Architect, Hobart.

Pauley, J 2007, *Connected Communities: Better bus services in Tasmania: Report of the Core Passenger Services Review*, Volume 1 Main Report, Department of Infrastructure, Energy and Resources, Hobart.

Tasmania, House of Assembly, Budget Estimates Committee A 2009, *Hansard: House of Assembly Budget Estimates Committee B, Part 2: Tuesday 23 June 2009*, viewed 14 April 2014, <<http://www.parliament.tas.gov.au/ParliamentSearch/isysquery/f4aed870-c101-476a-9ac7-b296fa32c464/4/doc/cestatues2.pdf>>.

Tasmanian Liberal Party 2014, *Building a Tasmania we can all be proud of: the plan to rebuild essential services: a hand-up for vulnerable Tasmanians*, viewed 14 April 2014, <<http://www.tas.liberal.org.au/sites/default/files/policy/Community%20sector.pdf>>.