Australia: New fare hikes and job cuts in NSW public transport

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The Labor government in Australia's most populous state, New South Wales, has exploited a report on the parlous condition of the state's public train, bus and ferry services to drive up fares and initiate a new round of job cuts.

Transport Minister Michael Costa announced on December 9 the government's response to an inquiry he commissioned earlier this year by Independent Pricing and Regulatory Tribunal chairman Tom Parry. The Parry review followed a series of damning reports revealing that prolonged government cost cutting and deliberate neglect of maintenance and upgrading programs had left large areas of the transport system in a state of decay.

In April it was estimated that the state's rail infrastructure alone required an emergency injection of $1.5 billion. As of November, the government's Rail Infrastructure Corporation was still sitting on a $479 million backlog of maintenance work.

Parry's interim report in September indicated that maintaining bus, rail and ferry services in Sydney and Newcastle would cost $2.7 billion annually, but the present revenue return left a $400 million shortfall. The report concluded that even the current level of services, let alone vital upgrades or expansion, were not sustainable at the present levels of funding.

The response of Premier Bob Carr's government was predictable. Rather than providing the desperately needed funds from the state budget, it adopted recommendations in the report that are designed to shift the burden for the crisis in transport, created by the government itself, onto the backs of the travelling public and public transport workers.

Retired pensioners will be hit with a substantial increase in the cost of their subsidised all-day fares from $1.10 to $2.50. Parry had originally recommended that pensioners be banned from travelling on trains and buses during peak hours. The government backed away from this highly discriminatory proposal only because it was seeking to minimise public opposition to the overall package.

Costa announced that all public transport fares would rise in line with cost of living increases over the next five years, with the first rise likely in September. The minister pledged that these fare increases would depend upon service improvements. Such assurances are meaningless, however, particularly when there is no objective measure of performance.

In November the NSW deputy auditor general Tony Whitfield revealed that StateRail lacked any reliable means of monitoring on-time running or other service and safety levels, including the number of times trains ran red signals at dangerous speeds. Travellers were advised to ignore the StateRail website's information on train reliability.

In addition, the government will be authorised to impose fare hikes to fund specific projects aimed at improving services. The arrangement amounts to little more than an open-ended means for levying working people to pay for the government's rundown of the rail system.

Facing opposition from parents and school organisations, the government dropped, for now, a controversial recommendation for the introduction of a $30 annual fee for students who use subsidised privately-owned school buses. Instead, it will introduce smart card technology to monitor how many students actually use the service. The statistics collected may well be used to justify future cuts to the subsidy.

The government has also put on temporary hold a recommendation to scrap a number of CountryLink train services to regional centres and replace them with

road coaches. The backdown followed a series of protests by people in rural and regional communities and a flood of angry submissions to the Parry review.

In the meantime, however, the government aims to slash jobs at country stations and CountryLink booking offices to save at least $20 million. Booking arrangements will be farmed out to private retail outlets, or passengers will be forced to use the Internet to make reservations.

Even if the saving is achieved, the government has not abandoned its plan to axe the targetted country services. Speaking to the media, Costa warned: “The heat is not off CountryLink. We reserve our right to revisit the situation.” He announced plans for “a review of all CountryLink patronage, costs and revenue” in 12 months time.

Under conditions where it is facing a substantial outlay to maintain, and soon replace, the CountryLink train fleet, the government is anxious to rid itself of the responsibility of providing rural and regional train services. According to a recent report, many of the XPT trains in the 79-strong fleet will have to be replaced by 2006, four years ahead of their original used-by date because they are “being pushed to the limit”.

Replacing country trains with buses would pave the way for services being handed over to private operators. Other privatisation moves are already underway. The government pushed legislation through state parliament earlier this year allowing for the corporatisation of Sydney Ferries by next July.

According to Costa, as a corporate entity Sydney Ferries will be better placed to deal with “traditional problems of low patronage, poor fleet availability and declining revenue and mounting debt”. This is ministerial speak for a ruthless cost-cutting exercise that will see less profitable ferry services dumped and numerous jobs axed.

The level of cuts intended at Sydney Ferries can be gauged by Costa’s recent claims that the average daily patronage of Sydney Ferries is about 19 percent of capacity, and that more than one-third of daily peak services operate at less than 10 percent. Ferry workers have already been informed that the jobs of gate hands and revenue staff are to be axed and work rosters are under review.

Wider job cuts are looming. Sydney rail workers held a four-hour stoppage on December 23 because 13,000 of the state’s 17,000 rail employees are still unsure of their status when the Carr government merges the State Rail Authority and the Rail Infrastructure Corporation on January 1. About 200 injured workers have been told already that there is no place for them in the new structure.