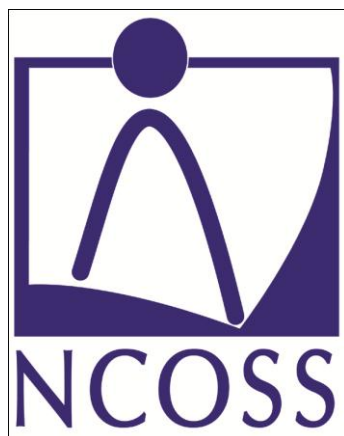


FARE CONCESSIONS:

TRANSPORT CONCESSIONS AND SUBSIDIES IN NSW



COUNCIL OF SOCIAL SERVICE OF NSW
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ABOUT NCOSS

The Council of Social Service of NSW (NCOSS) is a peak body for the community services sector in New South Wales. Through its organisational membership, NCOSS represents an extensive network of service delivery and consumer groups.

NCOSS has a vision of a society where there is social and economic equity based on cooperation, participation, sustainability and respect. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving this vision in NSW.

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EXECUTIVE SUMMARY

Transport enables people to actively participate in our society – to access opportunities for work and education, to stay connected to family and friends, and to engage in social and community activities.

Yet for some people, transport services are simply unaffordable.

Transport concession and subsidy programs play an important role in enabling vulnerable or disadvantaged members to access what should be considered an essential service. Well-targeted concessions ensure *all* members of the community can afford to travel to services and to activities that meet personal, social and economic needs.

By removing cost as a barrier to participation, transport concessions contribute to equity of access to opportunity. Yet failure to provide affordable access to public transport services further compounds disadvantage for many people and communities.

In 2012-13 the NSW Government will spend more than one billion dollars on concessions and targeted subsidies for travel on public transport. The majority will be spent through the School Student Subsidy Scheme (\$572 million)¹, while \$452 million will subsidise travel for pensioners, seniors, welfare beneficiaries and tertiary students on bus, rail, ferry, light rail, and taxi services².

Despite substantial expenditure on transport concessions in NSW, many are poorly targeted, and some groups are still missing out. There is no systematic approach to the development of concession policies; with a mix of different concessions and subsidies granted at different times to fulfill a range of purposes. The result is a complex mish-mash of transport concessions and subsidies that do not always align – and in some cases are at odds – with social policy objectives.

This paper examines systemic issues relating to the development of concession policy, and identifies groups who are unfairly disadvantaged by our current system.

Part 1 looks at the administration of concessions across all essential services at both the National and State levels, while **Part 2** focuses on transport concessions in NSW. Both sections suggest ways in which the policy and administrative framework could be improved, so as to ensure concessions are more effective in addressing core social policy concerns.

Parts 3 and 4 identify acute gaps in current transport concession and subsidy schemes respectively. These include the lack of concession entitlements for low paid working households, jobseekers and asylum seekers, the lack of assistance for vocational study through the School Transport Subsidy Scheme, and the insufficient financial support offered to people with disability through the Taxi Transport Subsidy Scheme.

This paper does not attempt to provide a comprehensive review of transport concessions in NSW, but rather examines the current system from a social equity perspective, highlighting the need for both immediate policy responses as well as longer-term structural change.

The impending introduction of a new electronic ticketing system is a unique opportunity to make these changes, thereby shaping a fairer and more equitable transport system.

¹ NSW Treasury (2012) 2012-13 Budget Statements, Appendix C, p.22

² NSW Treasury (2012) 2012-13 Budget Estimates, Transport Cluster, p.4

SUMMARY OF RECOMMENDATIONS

- 1 That the NSW Government encourages the Federal Government to develop a national framework for concessions in partnership with the States and Territories.
- 2 That in the absence of a National Framework for concessions, the NSW Government develops a policy framework or set of principles to guide the delivery of concessions in NSW.
- 3 That the NSW Government considers mechanisms, such as the establishment of a concessions unit, to provide a more consistent approach to the provision of concessions across all essential services.
- 4 That the NSW Government commissions a comprehensive and fully transparent review of transport concessions in NSW.
- 5 That the NSW Government seeks to target transport concessions more effectively towards disadvantaged people.
- 6 That the NSW Government develops mechanisms to facilitate stronger linkages between social policy objectives and transport concessions.
- 7 That the NSW Government commissions research on the affordability of public transport, and develops affordability indices.
- 8 That Transport for NSW develops processes that allow for the ongoing assessment of the adequacy of concession entitlements against full fare prices.
- 9 That Transport for NSW produces a concession entitlements guide and conducts an information campaign to inform the community of their concession entitlements.
- 10 That Transport for NSW ensures concession products provide comparable benefits across all modes of public transport.
- 11 That transport concessions in rural and regional areas be reconsidered with a view to providing a percentage discount based on affordability.
- 12 That eligibility for transport concessions be extended to all Health Care Card Holders
- 13 That eligibility for concessions on MyMulti and MyTrain RailPasses be extended to jobseekers.
- 14 That eligibility for transport concessions be extended to asylum seekers in the community.
- 15 That the age of eligibility for the NSW Seniors Card be lowered to 45 for Aboriginal and Torres Strait Islander people.
- 16 That the School Student Travel Subsidy be re-examined with the view to ensuring equity of opportunity for all students.
- 17 That the Taxi Transport Subsidy Scheme subsidy cap be increased from \$30 to \$50, and the scheme reviewed with consideration given to the introduction of a two-tiered scheme and a higher percentage subsidy.

PART 1: ADMINISTERING CONCESSIONS

In Australia, policy and administrative responsibilities for concessions are spread across two levels of government and between numerous government agencies.

Ideally, concessions should be considered in the context of the wider tax-transfer systems, with a national framework providing a more consistent and equitable approach to concession entitlements across Australia. However, in the absence of national leadership on concessions, there is much that States and Territories can do in moving towards a clearer and more consistent approach to the delivery of concessions.

While this report recognises that action should be taken at the National level, its primary focus is on steps the NSW Government could take towards a fairer and more equitable system for concessions, particularly in relation to public transport services.

Part 1 of this report examines the administration of concessions across all essential services at the National and State levels.

THE NEED FOR A NATIONAL FRAMEWORK

Both the Commonwealth and State Governments play a role in the funding and administration of concessions for essential services. Yet the relationship between the levels of Government and their responsibilities in relation to the development of concession policy is not clearly defined.

The Commonwealth Government provides some funding for transport concessions to the States and Territories. And while it is the responsibility of the State and Territory Governments to administer concessions for essential services, eligibility is often based on an individual's eligibility for a Commonwealth benefit or Commonwealth-administered concession card. While Pension Card holders are eligible for transport concessions in most States and Territories, the concessions available to holders of other Commonwealth-administered cards such as the Health Care Card vary from State to State, and even within States. In addition, many States also provide transport concessions based on eligibility for schemes administered at the State level, such as the Seniors Card and Companion Cards, and in NSW, the Jobseekers Card.

The absence of an integrated approach to the administration and funding of concessions has led to an ad hoc system of transport concessions that is both disjointed and confusing. In 1997, an Inquiry by the Standing Committee on Family and Community Affairs found that:

“because each State/Territory has developed its own concession entitlements over time and without national consultation, this has resulted in confusion for both individuals and service providers and differing levels of concession provision across the country”³.

The Inquiry subsequently concluded that the Commonwealth Government and all State/Territory governments should formally adopt a written agreement on national standards for concessions. Yet in the fifteen years since this report was released, no systemic changes have been made: The architecture of our concessions system is still piecemeal, confused, and outdated.

³ House of Representatives Committees (1997) *Concessions – Who Benefits?: A report on concession card availability and eligibility for concessions*, Canberra, p.19

A national framework for concessions is essential in creating a more effective system and achieving greater consistency of purpose and provision across all States and Territories. It could facilitate reciprocity between states, and would reduce the unnecessarily complex and confusing arrangements confronting concession card holders who move or travel inter-state. A person's ability to afford essential services should not depend on the State or Territory in which they happen to live.⁴

Any attempt to provide a national consistent framework for concessions should be based on a larger theoretical social policy agenda such as social exclusion or inclusion to help better direct policy focus and assist all Governments in linking social policy objectives with targeted affordability measures to ensure universal access to essential services.

RECOMMENDATION 1: That the NSW Government encourages the Federal Government to develop a national framework for concessions in partnership with the States and Territories.

STATE-BASED APPROACHES

Ideally, a national concessions policy would provide a framework for addressing current inconsistencies in the provision of concessions across a range of essential services, including transport, energy and water. Yet in the absence of national leadership on this issue, State Governments should be taking steps towards clearer and more integrated concessions policy frameworks. The need for such an approach has been reinforced in recent reviews of concession policies conducted in a number of other states and territories.

The *2008 Review of ACT Government Concessions*⁵, for example, found that the ACT Government lacked a single, accepted definition of what constitutes a concession, and did not have a suitable whole-of-Government policy framework. The ACT Government subsequently agreed that a single policy framework would enhance ACT Government Concessions, with the existing human rights framework providing an appropriate platform.

A comprehensive review of concessions policies has also been conducted in Tasmania, based on a set of guiding principles for concessions⁶. These guiding principles were applied to each of the individual concessions currently available in Tasmania to identify potential areas for reform, with the recommendation that a similar assessment process take place every five years.

And in Victoria, all concessions are coordinated through a unit based within the Department of Human Services, with the Department's strategic objectives thereby establishing a high level framework with which the concessions program must align. Furthermore, the annual Victorian Families Statement provides a more detailed agenda against which the adequacy of the concessions program can be assessed.

⁴ Stakeholders advocating for improvements to concession arrangements from a range of concessions have called for greater national consistency in the provision of concessions. See for example Universities Australia (2010) *Transport Concessions for International Students: A Position Paper*, and Australian Medical Students' Association (2012) *NSW public transport concessions must go further*.

⁵ Department of Disability, Housing and Community Services (2008) *Review of ACT Government Concessions*, Canberra

⁶ Department of Treasury and Finance (2008) *Review of Tasmanian State Government Concessions*, Hobart

Following in the footsteps of other States and Territories, NCOSS considers that the NSW Government should develop a framework or set of policy principles to guide the provision and evaluation of concessions in NSW.

A set of principles has been included in this paper as a potential starting point for discussions. These principles are based on those initially proposed in the *Concessions – Who Benefits?* report⁷, and subsequent amendments to those principles as proposed by other Councils of Social Service⁸.

Concession Principles

CLARITY OF PURPOSE: Concessions must be consistent with social policy objectives, with the desired outcomes clearly defined.

EQUITY: Concessions should achieve an effective balance between horizontal equity (treating those in similar circumstances in a similar way) and vertical equity (treating those in different circumstances differently in order to achieve equity in outcome).

WELL-TARGETED: The target group must be clearly identified and understood

AFFORDABILITY: A concessions must make affordable the good or service to which it is linked.

FLEXIBILITY: Concessions must be designed in such a way as to enable responsiveness to changing circumstances and needs.

ACCESSIBILITY: Entitlements must be clear to recipients, non-discretionary and easy to use by all eligible recipients.

IMPARTIALITY: Recipients should receive goods and services on the same terms as those not covered by concessions.

SAFETY NET: Concessions should be supplemented with a safety net of one-off assistance where necessary.

EFFICIENCY: Government must be accountable for the efficient management of a concession, ensuring it achieves its stated goal(s).

RECOMMENDATION 2: *That in the absence of a National Framework for concessions, the NSW Government develops a policy framework or set of principles to guide the delivery of concessions in NSW.*

⁷ House of Representatives Committees (1997) *Concessions – Who Benefits?: A report on concession card availability and eligibility for concessions*, Canberra, p.19

⁸ ACTCOSS (2007): *Submission to ACT Review of Concessions*, WACOSS (2007): *Review of the Administration and Management of State Government Concessions* and SACOSS (2010): *Concessions: Shift the focus to equity*

CENTRALISING POLICY RESPONSIBILITY

At the State level, concessions are typically provided through a number of Government agencies (housing, water, energy, health, education and transport), yet attempts at coordination between the various players are in many cases ill-contrived, and in others, non-existent. Ongoing structural arrangements are necessary to guarantee a consistent approach to concessions that aligns with an agreed policy framework or set of principles.

One option, is to centralise policy responsibility, including through the establishment of a dedicated concession units – this is the approach both Victoria and Queensland have adopted (albeit with vastly different outcomes). This arrangement can support a more streamlined and effective approach to developing, implementing, reviewing and evaluating concessions within an agreed policy framework.

The need for structural changes to support the delivery of concessions has been a common theme in the concessions reviews conducted by various States and Territories. In NSW, the *2004 Unsworth Review of Bus Services* found that:

The Transport Services portfolio is not best placed to identify and target those in most need of transport assistance. A range of agencies including NSW Department of Ageing, Disability and Home Care, the Department of Education and Training, the Commonwealth Department of Family and Community Services and the Department of Veterans Affairs need to play a central role in identifying and targeting concessions at those most in need. It is the role of transport agencies and operators to then apply those social policy objectives.⁹

There is a clear need to better connect concessions for all essential services to social policy objectives. NCOSS therefore recommends that the NSW Government consider mechanisms, such as the establishment of a concessions unit, to provide a more consistent approach to the provision of concessions across all essential services.

RECOMMENDATION 3: *That the NSW Government considers mechanisms, such as the establishment of a concessions unit, to provide a more consistent approach to the provision of concessions across all essential services.*

⁹ Unsworth, B. (2004) *Review of Bus Services in New South Wales*, Ministry of Transport, Sydney

PART 2: TRANSPORT CONCESSIONS IN NSW

Although structural changes to the way in which concession policy is developed and delivered would improve the effectiveness of all Government concession programs, the primary focus of this report is on transport concessions. Part 2 of this report therefore focuses on transport concession policy in NSW.

Transport concessions have been granted to meet heterogeneous policy (and political) aims and objectives, resulting in a complex and confusing array of policies that fail – if indeed they attempt – to achieve coherent social equity outcomes.

While some concessions are means-tested or have another equity component, others do not. Thus people on medium or high incomes have access to concessions which are far more generous than those available to people on lower incomes.¹⁰ While different types of concessions may serve different purposes, the lack of clarity and transparency around the purpose of various concessions makes it difficult to evaluate their effectiveness.

That there is a need to improve the provision of transport concessions in NSW has long been acknowledged, and in the last 15 years two major reviews (in 1999 and 2004)¹¹ attempted to improve the provision of transport concessions. However, the results of either review were never made publicly available.

Other inquiries into transport in NSW have also touched on specific concerns relating to transport concessions. The *2003 Ministerial Inquiry into Sustainable Transport in NSW (Parry Report)*¹² contained recommendations on concessions from the standpoint of financial viability for Government and operators, while the *2004 Unsworth Review of Bus Services in NSW*¹³ made recommendations on transport concessions in relation to the bus transport system. A number of reviews conducted by the Independent Pricing and Regulatory Tribunal have also made recommendations relating to transport concessions and subsidies.¹⁴

Despite these review processes we have yet to see a comprehensive overhaul of transport concessions in NSW. However, some progress towards a more equitable concession system has been made. For example:

- Private bus services in the Sydney Metropolitan Area now offer concession fares previously only available on Government services
- Bus TravelTen concessions have been expanded to all concession groups
- Half fare concessions are now available to TAFE students, apprentices and trainees registered with the NSW Department of Education and Training (DET)

¹⁰ For example, higher income older people have access to the \$2.50 Pensioner Excursion Ticket provided they work fewer than 20 hours per week, whereas many very low-income earners do not have any transport concession entitlements.

¹¹ The 1999 Review incorporated an extensive consultation process, although the results were never made publicly available. In mid-2004 the then Minister for Transport announced another Review of Transport Concession Policy, and it was understood that this review would take into account the findings of the 1999 Review and would be finalised by late 2004 in order to inform the negotiation of metropolitan bus contracts.

¹² Parry, T. (2003) *Ministerial Inquiry into Sustainable Transport in NSW: a framework for the future*, Ministry of Transport, Sydney

¹³ Unsworth, B. (2004) *Review of Bus Services in NSW*, Ministry of Transport, Sydney

¹⁴ See for example Independent Pricing and Regulatory Tribunal (2011) *Review of Taxi Fares in NSW*, which recommended that the NSW Government increase the Taxi Transport Subsidy Scheme.

Yet although these changes have been warmly welcomed, outstanding issues remain, including many that are contributing to ongoing cycles of disadvantage. These should be urgently addressed and are discussed in more detail in Parts 3 and 4 of this report.

RECOMMENDATION 4: *That the NSW Government commissions a comprehensive and fully transparent review of transport concessions in NSW.*

TRANSPORT CONCESSIONS AND SUBSIDIES, FOR WHAT PURPOSE?

Concession and subsidy schemes can provide a range of benefits for society as a whole, and as such should not be treated as merely a cost to Government. These benefits include encouraging modal shift (particularly a reduction in car usage),¹⁵ health benefits¹⁶, and improvements in social inclusion¹⁷ and access to services¹⁸. Rayner (2011) categorised the benefits linked to the use of concessionary travel by older people into spending money (directly contributing to the economy); directly saving society money (through voluntary work); and indirectly saving money through increased well-being.¹⁹

The purposes for which transport concessions are currently provided in NSW include:

- (a) Encouraging more efficient use of existing transport infrastructure (by influencing travel patterns by contributing to pricing structures that spread demand more evenly across the day, or by creating incentives to better use spare capacity) (e.g. Family Funday Sunday);
- (b) Facilitating participation in a particular activity (e.g. student concessions);
- (c) Encouraging public transport use within a particular demographic (e.g. concessions for Seniors Card holders);
- (d) Contributing to equity of access for low-income earners and others experiencing disadvantage (e.g. concessions for Pensioner Concession Card holders).

A concession or other discount may serve one or more purpose, and may be offered on the basis of:

- Income
- Mobility
- Age
- Distance travelled
- Time of travel
- Purpose of travel (e.g. school travel)

In this report we are primarily concerned with concessions aimed at equity of access for disadvantaged people, which are typically (but not always) provided on the basis of income or mobility. We also

¹⁵ See for example Transport Scotland (2009) *Evaluation of National Concessionary Travel in Scotland*, Halcrow Group Limited, Transport Research Series, Transport Scotland, and Andrews (2011) *Just the ticket? Exploring the contribution of free bus fares policy to quality of later life*.

¹⁶ Webb et al (2011) Free bus passes, use of public transport and obesity among older people in England, *Journal of Epidemiology and Community Health*.

¹⁷ Andrews et al (2012) The grey escape: investigating older people's use of the free bus pass, *Transportation Planning and Technology*, 35(1), 3-15.

¹⁸ Kelly (2011) A Ticket to Ride: Does Free Bus Travel Promote Active Ageing? *Job Market Paper*, University College London and Institute for Fiscal Studies.

¹⁹ Rayner Peter (2011) Concessionary travel: Burden on society or valuable asset? *Greater London Forum for Older People*.

provide recommendations on more universal concessions or discounts where these have failed to take the needs of vulnerable and disadvantaged people into account.

While concession products developed for purposes other than equity also facilitate important and valuable outcomes, the general lack of clarity impedes the informed debate and evaluation required to improve the current system. In fact, Transport for NSW lacks any clear and publicly stated goals and objectives for its concession program, let alone for individual ticketing products.

For example, the Pensioner Excursion Ticket provides affordable access to transport for many low-income Australians. However, it not means-tested, and is available to all Seniors Card holders thereby encouraging older people to use public transport. By virtue of its target audience – people who are no longer working full-time and who are therefore assumed to have greater flexibility in terms of travel time – it could also be seen to be contributing to a more efficient transport system by encourage travel outside peak hours.

Unless these multiple purposes are understood and considered independently, they risk being diluted or confused. It is our view that the intention to ensure equity of access for low-income people should not be compromised by other concerns, such as spreading peak demand, which could result in inequitable policies that restrict access for low-income people to certain times of the day.

As a whole, the existing transport concession program is poorly targeted in terms of achieving equity objectives. Of the more than one billion dollars on concessions and subsidies for travel on public transport, only a relatively small proportion will contribute to equity of access.

RECOMMENDATION 5: That the NSW Government seeks to target transport concessions more effectively towards disadvantaged people.

LINKING CONCESSIONS AND SOCIAL POLICY

For those targeted concession products aimed at reducing transport disadvantage, a more systematic approach – strongly connected to social policy processes – is needed.

An inability to access transport can prevent people from accessing key services and activities and from participating fully in society. While there are many factors impacting people’s experience of transport disadvantage – such as the availability and accessibility of transport – affordability is a key dimension.²⁰ Transport concessions and subsidies should be an important mechanism in addressing this dimension, thereby assisting individuals who experience social disadvantage with the cost of accessing government, education, employment, and health services.

In NSW, there is little quantitative evidence showing the extent to which the affordability of public transport fares is problematic. Yet there is considerable anecdotal evidence that particular groups do not have equitable access to economic and social opportunities and to essential services due to the cost of transport.

²⁰ The *Making the Connections* Report identifies five key barriers to accessing services, one of which is the cost of transport. Social Exclusion Unit (2003) *Making the Connections: Final Report on Transport and Social Exclusion*, London

The list of concession principles for essential services proposed in Part 1 of this paper includes a guarantee of affordable access. There is little point in providing a concession if the good or service to which it is linked remains out of reach to those entitled to the concession. In relation to transport, this means concessions must also be considered in relation to the overall cost of fares.

Currently, the Independent Pricing and Regulatory Tribunal (IPART) makes recommendations to the Government as to the maximum fares that can be charged for train, bus, ferry and taxi services. The Government considers these recommendations, and makes the final decision regarding ticket prices.

In making its determination IPART is required to take the social impacts of its decision into consideration, yet it does not have any powers with regards to determining concessions. It is therefore unable to make recommendations that would, for example, offset the impact of an increase in fares through a targeted concession measure. On those occasions where IPART has made recommendations relating to specific concessions or policies, the Government is under no obligation to formally respond.

The absence of any formal process linking the development of concession policies with rising fares has meant that the value and effectiveness of many transport concessions and subsidies has eroded over time. This disconnect also hampers the Government's ability to set fares at optimum levels, as some resistance to increased prices is based on concerns that any fare increases will further disadvantage particular groups.

In working to ensure concessions provide affordable access to transport services, Transport for NSW should develop processes that allow for the ongoing assessment of the adequacy of concession entitlements against full fare prices.

<i>RECOMMENDATION 6:</i>	<i>That the NSW Government develops mechanisms to facilitate stronger linkages between social policy objectives and transport concessions.</i>
<i>RECOMMENDATION 7:</i>	<i>That the NSW Government commissions research on the affordability of public transport, and develops affordability indices.</i>
<i>RECOMMENDATION 8:</i>	<i>That Transport for NSW develops processes that allow for the ongoing assessment of the adequacy of concession entitlements against full fare prices.</i>

PART 3: WHO IS MISSING OUT?

This section of the report focuses on problems and gaps in the current transport concessions systems as identified by NCOSS partners and members during stakeholder consultations. This is not a comprehensive description of all issues related to transport concessions, but highlights those that are most acute from the perspective of vulnerable and disadvantaged people.

Issues that we have not covered in this report include:

- Transport concessions for tertiary students (both domestic and international);
- The potential to apply concessions to community transport.

Should a review of transport concessions be conducted, it is imperative that other organisations and consumer representatives be provided with an opportunity to comment.

ACCESS TO CONCESSIONS

In NSW many people are either unaware of their concession entitlements, or find it difficult to gain access to the concessions to which they are entitled. This is a result of number of factors.

Firstly, information about concessions is not easily available and concessions are poorly promoted. For example, many older people in rural and regional NSW are unaware that they are now entitled to a Regional Excursion Daily.

The complexity of the concessions systems adds to the difficulties many people experience when attempting to understand and make use of the concessions to which they are entitled.

Anecdotal evidence that concessions are not well understood, or are otherwise inaccessible, has been supported by quantitative research. For example, a survey conducted by the Australia Institute found that 45% of Health Care Card holders and 39% Pensioner Concession Card holders said they found it difficult to understand their concession benefits²¹. Lack of awareness, together with difficulties in finding and interpreting information about available benefits, were found to be significant factors inhibiting access to concession entitlements.

RECOMMENDATION 9: That Transport for NSW produces a concession entitlements guide and conducts an information campaign to inform the community of their concession entitlements.

CONSISTENCY ACROSS MODES

Currently, concessions are not consistently applied across all modes of transport. As the NSW Government introduces the Opal Ticketing system, this is an opportunity to develop not only an integrated ticketing system, but also a fully integrated fare structure. As part of this fare structure, concessions should be made available on all modes of transport. Customers should not be penalised for

²¹ Baker, D. (2011) Further disadvantage: the effect of stigma in discouraging use of concession cards, *Australian Social Policy Journal*, vol.10, pp.97-104, p.101

changing modes, and should not be disadvantaged simply because one form of transport rather than another is available where they live. Currently, this is not the case.

For example, by purchasing a TravelTen, people using State Transit and Private Buses gain access to discounts based on the bulk purchase of a number of trips that do not have to be used within a specified timeframe. These tickets can be particularly beneficial to customers who work part-time, for those who are in insecure employment, and for people whose travel patterns may vary from week to week. Similar discounts are not available to customers using CityRail, LightRail and Ferry services.

Inconsistencies across modes are particularly unfair for people experiencing mobility difficulties, whose use of public transport may be restricted to those modes which are accessible.

Currently, the Light Rail concession fare structure is also inconsistent with other train, bus and ferry concession fares. The fares offered to concession holders on light rail services do not reflect the standard fare structure on other modes of transport in Metropolitan Sydney, where concessions provide for a 50% reduction on full fares.

	Light Rail Fares	
Zone	Full Fare	Concession Fare
Zone 1 / Zone 2	\$3.50	\$2.30
Zone 1 + Zone 2	\$4.50	\$3.50

RECOMMENDATION 10: *That Transport for NSW ensures concession products provide comparable benefits across all modes of public transport.*

RURAL AND REGIONAL AREAS

The high cost of transport is particularly problematic in rural and regional NSW, where it exacerbates the transport disadvantage experienced due to the limited availability of transport services in these areas.

It is typically more expensive to travel from A to B via public transport in rural and regional NSW than it is to take a trip of an equivalent distance in Metropolitan Sydney. With the basic concession fare usually set at 50% of the ticket price, concession card holders in regional areas pay more for travel than their Metropolitan counterparts, even though they may be receiving the same income or allowance. Additionally, people living outside major cities generally need to travel great distances in order to gain equivalent access to health care, employment opportunities, and many other services.

The table below compares the 2012 single bus fare structure in regional vs metropolitan areas of NSW (as set by IPART), thus highlighting the disparity in fares²². For a trip consisting of 12 sections, a concession card holder in Sydney will only pay \$2.20 whereas a rural concession holder will pay \$4.30, almost double the metropolitan fare.

²² Independent Pricing and Regulatory Tribunal (2012) Rural and regional bus fares from January 2012, p.43

Sections	Metropolitan fares		Rural fares	
	Full fare	Concession Fare	Full Fare	Concession Fare
1	\$2.10	\$1.00	\$2.20	\$1.10
2	\$2.10	\$1.00	\$3.20	\$1.60
3	\$3.50	\$1.70	\$4.00	\$2.00
4	\$3.50	\$1.70	\$4.70	\$2.30
5	\$4.50	\$2.20	\$5.30	\$2.60
6			\$5.90	\$2.90
7			\$6.40	\$3.20
8			\$6.90	\$3.40
9			\$7.40	\$3.70
10			\$7.80	\$3.90
11			\$8.20	\$4.10
12			\$8.70	\$4.30

Setting concession fares in rural and regional NSW at 50% of the full fare does not take a person's ability to pay into consideration and as a result, many concession card holders in rural and regional NSW cannot afford to travel. Currie has found that the cost of public transport for young concession holders in rural areas is a major concern, stating that:

Despite fare reductions for young people in terms of fare concessions in many states, it is often the long distances involved in travel which results in higher fares...in many rural contexts the only public transport services are tourist based services running on commercial fares.²³

The Northern Rivers Social Development Council's recent Youth Census also found that in response to the open question 'What could make transport better for young people?' 47% identified better, more affordable public transport as the most important thing²⁴.

Given the high cost of public transport in rural and regional areas, combined with reduced access to transport services, NCOSS contends that the Government should consider more generous concession entitlement in rural and regional areas.

JENNY'S STORY

Jenny* is an 18 year old student who lives in Kyogle in the Northern Rivers. She is in the first year of her Bachelor of Science degree and attends Southern Cross University in Lismore four days a week. As a full time student Jenny is entitled to a half fare concession on her bus travel. It costs Jenny \$4.70 one way to travel from Kyogle to Lismore to attend classes, or \$9.40 return. This adds up to \$37.60 per week. Jenny receives Austudy and spends almost 25% of this income travelling to Uni. The only bus available to Jenny is the local school bus which leaves Lismore at 2pm and is only available on weekdays. Jenny has negotiated with the University to be able to leave most days by 2pm, but occasionally needs to stay later for some classes. This means she has to catch a taxi home at a cost of \$120. She has thought about moving to Lismore but has lived in Kyogle all her life and has friends and family there. She currently lives rent free with a family member in Kyogle and if she moved to Lismore she would find it difficult to meet the cost of renting accommodation. Jenny is determined to finish her degree but sometimes the difficulties with transport make her feel like giving up.

²³ Currie, G. (2007) Transport and social disadvantage in Australian communities, Monash University Press, p.87

²⁴ Northern Rivers Social Development Council (2012) Northern Rivers Youth Census Report: Process and Response, p.12

RECOMMENDATION 11: *That concession fares in rural and regional areas be reconsidered with a view to providing a percentage discount based on affordability.*

LOW INCOME EARNERS

Low-income earners typically spend a relatively higher proportion of their weekly income travelling to and from work than do higher income earners²⁵. Transport can also be more expensive in absolute terms for low-income earners, as they are unable to afford to live close to city centres or employment opportunities and must therefore pay more for the pleasure of longer commutes. Dodson refers to this phenomenon as ‘spatial mismatch’²⁶: low income earners living in outer suburbs not only pay more to access public transport, but have fewer transport services and face longer travel times when accessing the same essential services as higher income groups.

Yet while many low-income earners struggle to afford the financial costs associated with longer commutes, there is a lack of concession entitlements for these households in NSW.

The affordability of public transport for the working poor is a concern shared by The World Bank, which has noted that Australia’s transport concessions largely ignore the plight of the poor and the working poor²⁷. The World Bank has suggested implementing public transport affordability indices with a suggested ‘reasonable ceiling’ set at 10 per cent of income earned²⁸.

The issue of transport affordability for low-income earners could be improved, at modest cost, by extending eligibility for concessions to all Health Care Card holders. Low-income Health Care Cards are automatically issued by the Commonwealth Government to recipients of most allowance or support entitlements including people receiving Sickness Allowance, Newstart Allowance, Partner Allowance, Widow Allowance, Youth Allowance, Exceptional Circumstances Relief Payment and Special Benefit. They are also available to qualifying low income earners who either work part time, work full time for low wages, or people who work a limited number of hours to supplement a low fixed income.

There are currently 477,369 people with Health Care Cards living in NSW²⁹, 107,576 of who are low-income earners who are not on a Centrelink pension or benefit³⁰, and who therefore are not currently entitled to transport concessions. It is likely that there are also a significant number of low-income earners who are not aware that they are eligible for a Health Care Card.

Eligibility for transport concessions should be extended to all health care card holders as soon as possible. This would better align transport concessions with energy rebates, which were extended to all Health Care Card holders in NSW in 2010, and would bring NSW into line with other Australian states including Victoria, Western Australia, Tasmania, the Australian Capital Territory and the Northern Territory.

²⁵ Note, however, that when discretionary travel (including buying more expensive vehicles) is included in the analysis) it may appear that higher income earners spend a larger proportion of their income on transport as a whole.

²⁶ Dodson et al (2006) *Transport Disadvantage in the Australian Metropolis: Towards new concepts and methods*, Urban Research Program, Griffith University, p.6

²⁷ The World Bank characterises transport concessions in Australia as focusing on students and retired people, rather than on the poor more generally. See The World Bank (2005a) *Affordability of Public Transport in Developing Countries*, p.9

²⁸ The World Bank (2005b) *The Concept of Affordability of Urban Public Transport Services for Low-Income Passengers*, p.2

²⁹ Public Health Information Development Unit (2011) *A Social Health Atlas of Australia*,

³⁰ Department of Families, Health, Community Services and Indigenous Affairs (2012) *Income Support Recipients by Federal Electorate*, Canberra

RECOMMENDATION 12: *That the NSW Government extend eligibility for transport concessions to all Health Care Card Holders.*

JANE'S STORY

Jane lives at Coraki, about 30kms from Lismore. Jane is 18 years old and has not had the opportunity to obtain her driver's licence as she does not have access to a vehicle to build up the required driving hours. Jane therefore relies on public transport to get to and from work, TAFE, and social engagements. Jane works as a trainee in Lismore four days a week, travelling from Coraki by bus and paying a full fare each way of \$10. Jane is not eligible for a Centrelink concession card as she is employed, and although she is studying at TAFE as part of her traineeship, she is studying part-time and is therefore not eligible for a student concession card. Jane is therefore paying \$80 each week just to travel to and from work. There are only two buses a day from Lismore to Coraki. Jane catches a morning bus into Lismore at 8am and catches the last bus home at 5pm, leaving her no time to spend in Lismore after work. If Jane needs to do business or socialise in Lismore, which is most weeks, she has to catch the bus in on her day off at an extra cost of \$20. Jane's weekly income is \$450 and she regularly spends \$100 of that on public transport (approximately 25% of her income). This is not uncommon in regional NSW, particularly for young people who have just commenced work, have long distances to travel and fall through the gaps for eligibility to any type of travel concession.*

JOBSEEKERS

Many people who are unemployed find it difficult to pay for the transport they need to access basic services and maintain family and social connections. The cost of travel can become a significant barrier to gaining work, and in some cases become a disincentive for accepting low-paid or part-time employment³¹. The Commonwealth Government's Welfare to Work policies, which require jobseekers to have more frequent contact with Centrelink, the Job Network, and prospective employers in order to continue receiving income support payments, mean that jobseekers now are required to travel more often, facing additional transport costs.

Newstart recipients in NSW are currently entitled to a half-fare transport concession card. They must reapply for the Centrelink-issued card every three months, and become ineligible for jobseeker concessions card if they

- (a) receive a reduced rate of income support payment as a result of Social Security compliance penalties, or
- (b) earn more than \$31 a week from employment (or investment) income and are no longer in receipt of the maximum rate of allowance.

³¹ McClure, P. (2000) *Participation Support for a More Equitable Society*, Department of Family and Community Services, Reference Group on Welfare Reform, Canberra

JEREMY'S STORY

Jeremy is a 29 year old job seeker currently receiving New Start allowance from Centrelink. This entitles him to a half fare travel concession. He lives in Nimbin, a small village about 30 kilometres from Lismore. He is separated from his partner but has weekly access visits with his two children who live with their mother in Lismore. Jeremy also needs to travel to Lismore for a weekly medical appointment, to attend Centrelink activities, for job interviews, training courses and for volunteer work one day a week. Jeremy often travels to Lismore five days of the week. A one way concession fare is \$4.50 and a return is \$9, so some weeks Jeremy spends \$45 on bus fares. As a low-income earner this represents a significant proportion of his weekly income. Job seekers are not eligible for the RED ticket (Regional Excursion Daily) which enables people to travel for \$2.50 a day. Furthermore, as Jeremy lives in a rural area, he is unable to access the discounts for frequent travel available to jobseekers in metropolitan areas such as TravelTens. As there are no buses between Lismore and Nimbin on Saturdays or Sundays, Jeremy also has to pay for three nights' accommodation in Lismore if he wants to spend the weekend with his children.*

The cost of losing access to transport concessions may outweigh the benefits of taking up a work opportunity – creating a disincentive to take up paid employment opportunities, particularly if the opportunity is short-term, low-paid, or insecure. As such, the strict eligibility for jobseeker concession entitlements is at odds with policies aimed at assisting people to transition back into the workforce, and can result in an unreasonable proportion of a person's income being spent on transport. This problem would be addressed by extending eligibility for concessions to all health care card holders.

With very few exceptions (e.g. bus TravelTens), jobseekers are also not entitled to discounts on products supporting frequent travel, such as weekly and fortnightly tickets. Jobseekers are excluded from the MyMulti (Day Pass and Weekly) and MyTrain RailPasses (7 and 14 Day) concession fares. The logic behind this is unclear; the need to travel to different locations, using different transport modes, in order to fulfill appointment and job search requirements means these products would potentially be of greatest benefit to Jobseekers.

For example, Glenmore Park to Parramatta is a journey a job seeker might regularly undertake in order to find work in retail, hospitality, administration, Government, welfare, outdoor trades or the medical sector. This journey involves a bus and a train and costs \$7.80 concession using only single and return tickets. If a jobseeker were to make this journey each day for a week (for example to attend a course or do volunteer hours) they would pay \$39 instead of \$28.50 for a MyMulti 3 concession. This is a 37% difference in price, and can be a significant disincentive for someone receiving Newstart Allowance to enroll in education or training, volunteer, or participate in other activities that require regular travel

RECOMMENDATION 13: *That eligibility for concessions on MyMulti and MyTrain RailPasses be extended to jobseekers.*

ASYLUM SEEKERS

Since the expansion of community based detention in 2011 there has been an increase in asylum seekers living in the NSW community. These are people who have fled persecution or other dangers in their home countries, and whose application for asylum or refugee status is pending. Asylum seekers living in the community regularly use public transport to attend mandatory health, welfare and legal appointments.

Asylum seekers are not eligible for any social security benefits and yet, due to visa requirements, many are not permitted to work and earn an income. Most asylum seekers rely on the financial assistance provided by charities and non-government organisations such as the Asylum Seeker Assistance Scheme (administered by the Red Cross), which provides asylum seekers with a small living allowance equivalent to 89% of the Centrelink Special Benefit³². In order to receive this benefit, asylum seekers are required to travel to fortnightly meetings with the Red Cross.

Although asylum seekers are unable to earn an income and receive a lower rate of financial assistance than other unwaged or low-income groups, they are not eligible for the transport concessions available to other groups experiencing disadvantage in NSW. Furthermore, many asylum seekers have no choice but to live considerable distances from town or city centres, where housing is cheaper, and therefore face higher transport costs.

CHARLES' STORY

Charles is from Cameroon where he was a French teacher to young people in his community. He was involved in a group that was against some of his governments' policies and because of this, he and his family were beaten. He feared for his life and left the country with the help of a friend.*

Charles arrived in Australia on a false passport with very limited money. After being homeless for some nights, he was assisted with temporary accommodation in Western Sydney by a member of his community. He was advised that after two weeks he would need to start paying rent and contribute to the household bills or find alternative accommodation.

The Asylum Seeker Centre's casework service assisted Charles in accessing a lawyer and he was granted a Bridging Visa E. Numerous referrals were made to organisations providing financial assistance, and Charles now receives approximately \$110 per week. Charles was also referred to an internal counsellor who he sees at the Asylum Seeker Centre on a fortnightly basis. Because Charles enjoys work rights on his Bridging Visa, he was also referred to the internal Employment Program which requires travel to two different centres for appointments. Within the waiting period, Charles has expressed concern and frustration at his inability to go out and approach employers and seek work due to the high cost of transport. Where possible, Charles attends the Asylum Seeker Centre Monday to Thursday for the free lunch, to participate in centre activities, and to attend appointments with his caseworker. If Charles chooses to participate in these activities, he must pay between \$30 and \$40 per week on transport or approximately 35% of his weekly financial assistance. The prohibitive cost of transport and his inability to access a half-fare concession means he has been unable to regularly attend.

³² Australian Red Cross (2012) 'Asylum Seeker Assistance Scheme'

Article 23 of the 1951 Refugee Convention obliges signatory nations to "accord to refugees lawfully staying in their territory the same treatment with respect to public relief and assistance as is accorded to their nationals"³³. Travel concessions should therefore be extended to asylum seekers living in the community.

Failure to grant access to concessions is effectively restricting asylum seekers from meeting legal and administrative requirements, and from accessing basic services. Research conducted by the Victorian Asylum Seeker Resource Centre found that asylum seekers must either miss important legal, welfare, health or education appointments or fare evade on a regular basis, as they do not have the money to pay the full fare. The research concluded that "all but one respondent stated that if they had access to concession-priced public transport tickets, they would be able to travel to their appointments legally and more often"³⁴.

NCOSS therefore recommends that the NSW Government extend eligibility for transport concessions to asylum seekers in the community. This would bring the NSW Government into line with the Victorian Government, which in 2010 made Victorian Public Transport concession cards and fares available to asylum seekers receiving aid through the Asylum Seeker Resource Centre, Hotham Mission or the Red Cross.

RECOMMENDATION 14: *That eligibility for transport concessions be extended to asylum seekers in the community.*

KASUN'S STORY

Kasun arrived in Australia on a tourist visa after fleeing Sri Lanka. He applied for refugee protection shortly after arriving and continues to survive in financial hardship and destitution while awaiting the outcome of his application for refugee protection. His wife and two young children could not afford to make the journey and remain in hiding in Sri Lanka.*

Kasun suffered physical injuries as a result of torture. These injuries mean he is unable to work, and subsequently he has had to rely on charitable organisations to meet his day to day needs. Caseworkers at the Asylum Seekers Centre have linked Kasun with the government-funded Red Cross Asylum Seeker Assistance Scheme, and have also assisted Kasun in accessing ongoing counselling, the GP Clinic at the Centre and external physiotherapy for his injuries which will eventually allow him to return to work.

Prior to receiving financial assistance Kasun had been forced to move between houses of friends and community members every few days, never sure of where he would be sleeping next and surviving on one meal per day. While Kasun can now pay his rent and can purchase basic foods, he has very little money left over to travel to his Red Cross, legal and medical appointments which would cost approximately \$35.

³³ Office of the United Nations High Commissioner for Human Rights, Convention Relation to the Status of Refugees

³⁴ Frankland, B (2009) *Asylum Seekers, Transport Disadvantage and Fare Evasion*, Asylum Seeker Resource Centre, p.13

ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE

The NSW Government currently provides a Seniors Card to older people aged 60 years and older who work fewer than 20 hours per week. Seniors cardholders are entitled to a range of discounts on government and private transport services including half fare concessions on rail, government and private bus services and government ferry services, the \$2.50 Pensioner Excursion Ticket (PET), the \$2.50 Regional Excursion Daily (RED) ticket, and the \$2.50 Country Pensioner Excursion fare on CountryLink services. Discounted travel is one of the most significant benefits available to cardholders.

Aboriginal and Torres Strait Islander people have a significantly shorter life expectancy than non-indigenous Australians. According to ABS statistics for 2005-07, life expectancy at birth for Aboriginal males is estimated to be 67.2 years, which is 11.5 years less than life expectancy at birth for non-Aboriginal males (78.7 years). Life expectancy at birth for Aboriginal females is estimated to be 72.9 years, which is 9.7 years less than life expectancy at birth for non-Aboriginal females (82.6 years)³⁵. This disparity in life expectancy means that many Aboriginal and Torres Strait Islander people do not receive equitable access to Seniors Card benefits.

A number of other government programs for older people have already lowered the age of eligibility for Aboriginal and Torres Strait Islander people in recognition of their reduced life expectancy. These include: Commonwealth aged care programs, which specify that Aboriginal and Torres Strait Islander people are eligible from age 50; the NSW Home and Community Care Program, which specifies that Aboriginal and Torres Strait Islander people are eligible from age 45; and the Older Parent Carer program, which is available to Aboriginal and Torres Strait Islander people from 45 years of age.

The 2011 census data reveals that there are 23,110 Aboriginal and Torres Strait Islander people between the ages of 45 and 60 years in NSW³⁶. Of these, it is estimated that approximately 13,800 people would be eligible for the Seniors Card should the age limit be extended to Aboriginal and Torres Strait Islander people over the age of 45. The cost to government of addressing this inequity would therefore be low.

RECOMMENDATION 15: That the age of eligibility for the NSW Seniors Card be lowered to 45 for Aboriginal and Torres Strait Islander people.

³⁵ Australian Bureau of Statistics (2010) *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples*, cat. no. 4704.0, Canberra

³⁶ Australian Bureau of Statistics (2011) *Census of Population and Housing*.

PART 4: SUBSIDY SCHEMES

SCHOOL STUDENT TRANSPORT SCHEME

The School Student Transport Scheme (SSTS) provides subsidised travel for eligible school students on rail, bus, ferry and long distance coach services. Eligible students are issued with a pass that entitles them to free travel on school days between home and the school campus at which the student is enrolled. While more than half a billion dollars is spent on the scheme annually, it is poorly targeted and has failed to keep pace with changes in educational policy.

The scheme does not cover the following activities (as listed on the Transport for NSW website):

- School excursions
- Sports events
- Work experience
- Attendance at Vocational Education and Training (VET) in schools at a location away from the school/campus at which the student is enrolled
- Attendance at multi-campus high schools, Saturday schools, pre-schools, mini-schools (except for full-time geographically isolated distance education students)
- Attendance at before and after school care or child minding premises.

The restrictions relating to VET attendance have the potential to exclude students from low socio-economic backgrounds from participating in important educational opportunities. As such, they are at odds with policy goals for education aimed at equity and inclusion.

The Melbourne Declaration, endorsed by all State, Territory and Commonwealth Ministers of Education in 2008, has as its first goal the promotion of equity and excellence. It commits to ensuring that “socioeconomic disadvantage ceases to be a significant determinant of educational outcomes”³⁷. Yet VET training provides important educational opportunities for students, with the National Center for Vocational Educational Research (NCVER) writing that:

“Vocational education and training (VET) has long played an important role in the provision of pathways to further learning or employment, as well as providing ‘second chance’ learning opportunities for people from disadvantaged backgrounds”³⁸.

VET courses also provide important learning opportunities for students from rural, regional, and low socio-economic areas where schools may be unable to provide access to a full range of educational programs.

Some students, however – particularly those experiencing socioeconomic disadvantage and who would most likely to benefit from VET training – are effectively excluded from accessing the opportunities VET courses provide due to the associated transport costs.

³⁷ Ministerial Council on Education, Employment, Training and Youth Affairs (2008) *The Melbourne Declaration on Education Goals for Young Australians*, p.6

³⁸ Hargreaves, J. (2011) *Vocational Education and Social Inclusion At A Glance*, NCVER, Department of Education, Employment and Workplace Relations

MACLEAN HIGH SCHOOL

Students from Maclean High School have to pay to travel to Grafton TAFE to attend their VET courses because the TAFE is not their 'usual' school. The distance from Maclean High School is 47kms and the student concession fare is \$10.10. This has to be paid whether they are attending the full day in TAFE or a half day and travelling from the school.

The cost is a big disincentive for low-income students to access the courses, activities and job skills training offered at Grafton. For example, students enrolling in Electrotechnology need to travel to Grafton TAFE for 17 days over a six-week period to complete their course requirements. This will cost them \$171.70. Maclean High students will be travelling on the same bus as peers that attend Grafton schools; yet these students do not pay because the Grafton School is their 'usual' school.

Similarly, Maclean was not able to participate in the recent Grafton TAFE program PPOW (Participation Phase Options that Work) for at risk students. Students at risk were to attend a Metals course one day a week for 10 weeks. Those attending were given work clothing, boots, helmet, safety equipment and gloves. Students at risk from Maclean High did not have \$100 to pay for bus fares and therefore missed out on a valuable opportunity.

While the SSTS fails to provide equity of access to opportunity for disadvantaged students, it disproportionately benefits other students. The STSS currently provides free travel for primary students who live more than 1.6 kilometres away from their school and secondary students who live more than 2 kilometres away from their school. Travel is free regardless of whether a student is attending the closest school, or has chosen to travel a greater distance – in order to attend a private school, for example.

The evidence also suggests that the NSW Government is currently over-compensating transport operators for student travel. A 2004 report produced for the Ministry of Transport found that while the Government reimburses transport operators based on the assumption that students use public transport 79% of the time, the actual pass usage rate (that is, the regularity that a student uses their STSS pass) was 59%³⁹. Currently, the scheme does not include any incentives to encourage students to travel to school more regularly by public transport, with almost 60% of parents now driving their children to school⁴⁰.

The scheme's poor design means that there is significant scope to make changes that would better support equity of access within existing budgets.

RECOMMENDATION 16: *That the School Student Travel Subsidy be re-examined with the view to ensuring equity of opportunity for all students.*

³⁹ Taverner Research Company (2004) School Student Transport Scheme Pass Usage Survey & Special Study Final Report, p.21

⁴⁰ Heart Foundation (2012) *Active Travel to School: 2012 Survey Findings*.

TAXI TRANSPORT SUBSIDY SCHEME

The lives of many people with disability are severely restricted due to a lack of transport: this can limit their ability to be independent, and to participate fully in society. In examining transport in the context of Australians with disability, Currie and Allen state that:

“A lack of access to transport would be severely limiting for anyone, but the consequences of limited mobility for people with disabilities are typically more severe, as much of their quality of life is dependent upon transport”⁴¹.

While the accessibility of transport services is an issue for many people with disability, the cost of those transport services that *are* both accessible and available is also a major concern. Research from the United States found that one quarter of people with disability cited a lack of affordable transport as the reason for their unemployment.⁴²

In recognition of the benefits associated with increased mobility for people with disability, the Taxi Transport Subsidy Scheme (TTSS) provides subsidised travel for eligible people with a permanent disability. Subsidies are limited to 50% of the metered fare up to a maximum of \$30 subsidy per trip.

The scheme has, however, failed to keep pace with increasing taxi fares and the associated issues of road congestion and urban sprawl, and no longer provides an affordable form of transport for many people with disability. Since the introduction of the scheme in 1981, the maximum subsidy has received only one incremental increase (In April 1999 the maximum half fare subsidy for TTSS was increased from \$25 to \$30⁴³). Yet during the same time period there has been a steady increase in taxi fares: in 2012 alone, taxi fares rose by 3.7% in urban areas and 3.6% in regional areas⁴⁴.

Although the average subsidy paid through the scheme is currently below the subsidy cap, this is a poor indication of the adequacy of subsidy scheme for all participants, and many members censor their travel due to affordability concerns. In particular, members in rural and regional areas are unable to afford to travel beyond their hometown, while those who use the scheme to travel to and from work (in both metropolitan and regional areas) report spending a significant proportion of their incomes on taxi fares.

The inadequacy of the current TTSS has been recognised in numerous reports and reviews. A 2006 Report into the New South Wales Taxi Transport Subsidy Scheme, for example, found that the 1999 increase did not account for the increase in taxi fares, stating “since the 20% increase to the subsidy in 1999, taxi fares have risen by more than 28% in the urban area and more than 27% in the country”⁴⁵. Similarly, the 2010 Select Committee Inquiry into the NSW Taxi Industry recommended that “the subsidy provided by this scheme be increased to half the total fare, up to a maximum value of \$50.00 per fare, to better reflect the high travel costs faced by passengers with disability”⁴⁶.

Many other state governments now offer far more generous subsidies than those offered by the NSW Government: In 2008 the Victorian Government doubled the cap from \$30 to \$60, while the West

⁴¹ Currie, G. & Allen J. (2007) *Australians with Disabilities: Transport Disadvantage and Disability*, in Graham Currie, Janet Stanley & John Stanley (eds) *No Way To Go: Transport and Social Disadvantage in Australian Communities*, Monash University Publishing, p.81

⁴² Cited in Ibid.

⁴³ NSW Ministry of Transport (2006) ‘Review Report: Taxi Transport Subsidy Scheme’ p.15

⁴⁴ Transport for NSW (2012) *Maximum Taxi Fares and Charges*

⁴⁵ NSW Ministry of Transport (2006) ‘Review Report: Taxi Transport Subsidy Scheme’ p.17

⁴⁶ Legislative Council (2010) ‘Inquiry into the NSW taxi Industry’, p.xviii

Australian and South Australian Governments offer a 50% reduction for disabled people who are not confined to a wheelchair and a 75% reduction for those who are.

RECOMMENDATION 17: *That the Taxi Transport Subsidy Scheme subsidy cap be increased from \$30 to \$50, and the scheme reviewed with consideration given to the introduction of a two-tiered scheme and a higher percentage subsidy.*

DANIEL'S STORY

Daniel is a quadriplegic who mostly uses taxis to travel from his home in Maroubra to his work in Strathfield four days a week. This trip, which takes between forty and fifty minutes in a taxi, would take Daniel between two and two and a half hours on public transport. While he would like to use public transport, Daniel's work requires him to use an electric wheelchair which is a lot harder to manoeuvre on public transport than manual wheelchairs. For the past 9 years, Daniel has also used an assistant dog – presenting another obstacle to accessible travel via public transport.*

A single fare from Maroubra to Strathfield costs \$70. With the \$30 taxi transport subsidy, Daniel is paying approximately \$40 one way or \$80 return to travel to work, adding to a total weekly cost of approximately \$320. Daniel uses a regular driver with whom he has organised a fixed price for his regular trip to and from work. This means Daniel doesn't have to experience stress or fare shock in heavy traffic conditions: in heavy traffic, the one-way trip could easily blow out to \$100. If the subsidy was raised to \$50, Daniel would be paying \$160 per week on transport, equating to half the amount he currently pays.

CONCLUSION

In their current form, transport concessions in NSW are failing to meet the needs of many of those in our community who are experiencing disadvantage. Some of the problems identified in this report have simple solutions: they require only minor policy changes supported by what, in the context of overall spending on transport services and infrastructure, would be a relatively small budgetary commitment from the NSW Government.

Other problems identified in this report are more complex and merit further discussion and debate. We believe the current NSW Government should lead this debate, and should subject its concession program for transport, and across all essential services, to ongoing scrutiny and improvement. The Government should also re-examine the structures and systems informing the development of concession policy, putting in place the processes required to ensure concessions facilitate the social inclusion of the most vulnerable members of our society.

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