

Transport Provisions and Concessions for Older People in NSW

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This paper presents the views of the authors and not necessarily the views of the NSW Government.

INTRODUCTION

1. Australia is a federation. New South Wales is the most populated state in the nation, being home (in 1991) to 5.9 million Australians out of a total of 17.3 million. State governments have the responsibility for arranging many services to their residents. These services include transport.
2. In NSW, *extensive consultation with older people has revealed that transport consistently features high in any list of their concerns. It is the priority issue in rural areas.*
3. The NSW Office on Ageing assists the Minister for Aged Services in developing policy on ageing. The extent of concern of older people about transport has led the Office over several years to research the issues and options for reform. Demographic trends add urgency to the issue, as the number and proportion of older people in the population continue to increase.
4. Any consideration of "user requirements" in land passenger transport should not overlook the requirements of older people. They are an increasing user group in NSW, as elsewhere, with relatively high dependency on public transport. Their needs differ from those for whom much conventional public transport is designed, namely white collar commuters or schoolchildren. This paper contributes a NSW perspective to the international debate.
5. The paper has the following structure. We :
 - sketch the geographic, demographic and political background ;
 - look at older people as transport users ;
 - review how their transport needs are supported today by the NSW Government ;
 - briefly describe policy directions in NSW which are relevant for older people's transport ; and
 - consider the principles behind transport concessions, and indicate possible directions for development.
6. This paper puts the views of the authors. They are not necessarily the views of the new NSW Government.

BACKGROUND

GEOGRAPHY AND DEMOGRAPHY

7. The State of NSW is vast, but nearly three quarters of the population live in the "Greater Metropolitan Area" as shown in **Figure 1**. This area includes the cities of Newcastle and Wollongong, capitals respectively of the Hunter and Illawarra Regions, as well as the state capital Sydney. At the last census in 1991, the Greater Metropolitan Area was home to some 4.3 million souls, 3.5 million of them in Sydney.



Figure 1 - The Greater Metropolitan Region in New South Wales

8. Elsewhere in NSW there are another 1.7 million people, widely dispersed. In 1991, the ten biggest country towns outside the Greater Metropolitan Area had populations in the range of thirty to fifty thousand people.
9. General demographic trends include :
 - increasing life expectancy, hence leading to significant ageing within the older population itself ;
 - the "baby boom" of 1945-1965, now middle-aged and heading to swell the ranks of older people from 2010 onwards, hence increasing the proportion of older people in the population ; and
 - a decline in fertility, resulting in a decrease of the proportion of children in the population and further increasing the proportion of older people.
10. In 1991 there were 935,422 persons aged 60 and over in NSW, constituting 16.3% of the population. By 2011, this will increase to about 1,440,000, or nearly 20% of the population. *The rate of growth in the older population is expected to be three times the expected rate of growth in the overall population.* By the turn of the century, 50% of older people will be over 75 years of age. Similar trends are occurring in all developed nations.
11. Figure 2 shows the "population pyramid" for the metropolitan parts of NSW, for 1991 and as expected in thirty years time given a medium growth scenario and continuing low immigration.
12. Trends affecting older people in NSW directly include :
 - a shift away from institutional care for the frail aged towards care in their own homes, with a resulting demand for transport to access medical services ; and
 - retirement migration to the North Coast of NSW, hence increasing the demand for rural transport.

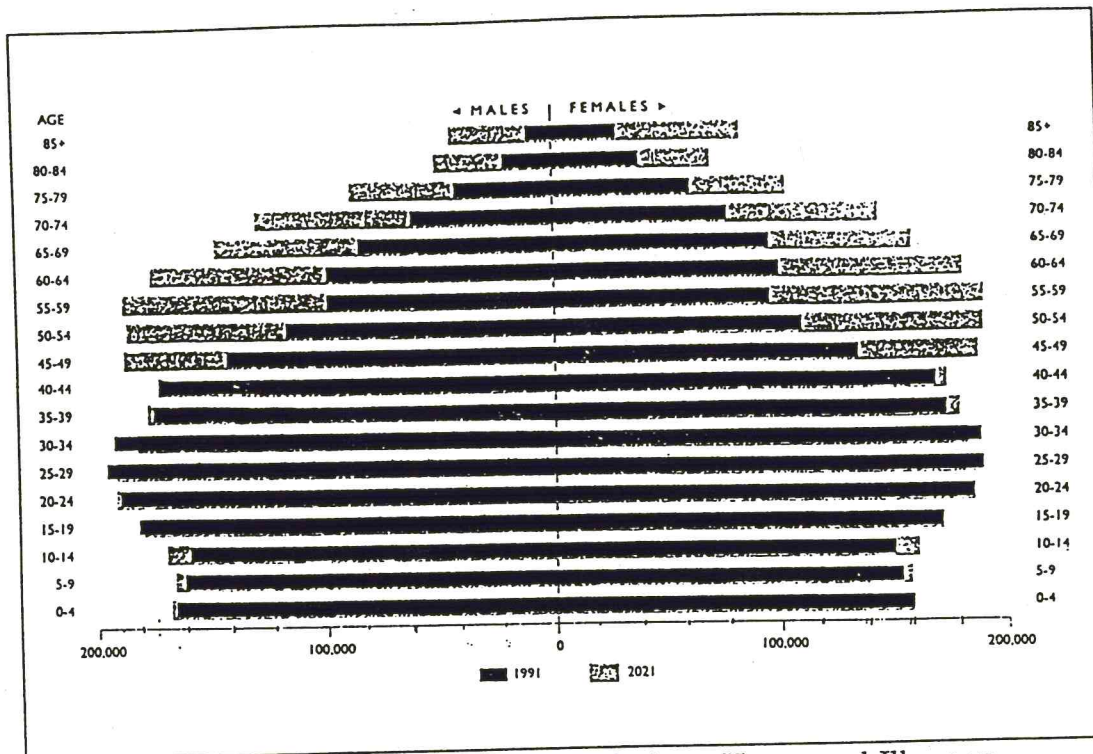


Figure 2 - Population Pyramids, combined Sydney, Hunter and Illawarra regions, 1991 and 2021 (medium growth scenario)
Source : NSW Department of Planning 1995

AGEING POLICY AND TRANSPORT

13. The ageing of the population provides a major challenge to Government, and in NSW new and positive approaches to policies on ageing have been pioneered by the Office on Ageing. In the past, ageing policy had tended to focus on the needs of the most frail older people, particularly through aged health care policy. While health care should always be a key priority, it has tended to overshadow the needs of the vast majority of older people who do not have disabling illnesses. Therefore *the Office has developed a much broader policy agenda*, with initiatives in :

- community attitudes towards older people and age discrimination ;
- employment, particularly discrimination against mature age workers ;
- health and well-being, including preventive health ;
- building better neighbourhoods, including transport provision ;
- financial matters, including transport concessions for older people ; and
- information and consultation.

14. These directions have been described by the eminent writer Betty Friedan, author of the highly acclaimed *The Fountain of Age*, as being "at the leading edge" when compared to other countries around the world.

15. *Mobility is vitally important for older people in maintaining independent social participation.* Active community participation is a key goal for Government policy on older people. While this policy goal is an end in itself, there are no doubt associated savings in health costs and other benefits. Care for older people currently accounts for \$1.8 billion, out of a total annual health budget in NSW of \$5.5 billion. The potential value of savings through preventive health measures is readily apparent. Adequate transport is also a prerequisite for success in current moves toward increasing care at home as opposed to in nursing homes or hostels.
16. While direct income support is a Commonwealth Government responsibility, the NSW Government is able through various State programs to improve the access of older people to transport services. This includes concession policy - most people over 60 can access valuable transport concessions which are funded by State government. The "Senior's Card" scheme gives access to most transport concessions and a wide range of discounts in shopping and services.

TRANSPORT PROVISION

17. Passenger transport in NSW other than in private vehicles is provided by :

State Rail Authority (SRA)

- CityRail - trains in the Greater Metropolitan Area
- Countrylink - trains and some coaches elsewhere

The CityRail system is largely configured to move people in and out of central Sydney, but recent infrastructure investment has given greater accessibility to the emerging regional employment centre for western Sydney, Parramatta. Country rail routes are almost all radial to Sydney. Road coaches operate feeder services to country stations, under the control of the railway authority.

State Transit Authority (STA)

- Sydney Buses - buses in inner Sydney
- Sydney Ferries - ferries on Sydney Harbour
- Newcastle Buses and Ferries - buses in part of the Lower Hunter and the Stockton Ferry

STA buses operate in those areas of Sydney and Newcastle served in earlier eras by government trams. In 1991, 1.4 million people (33 percent) in the Greater Metropolitan Area were served by STA buses and ferries and 2.8 million (67 percent) are served by private bus companies. Areas of STA and private bus operations are mutually exclusive, with no integration where they meet.

private transport operators

- metropolitan buses outside STA-served areas
- buses in non-metropolitan areas
- coaches

- taxis
- ferries
- air services

other organisations

- transport for people with special needs (e.g. the frail aged)
- paratransit/community transport
- ambulances

18. Transport concessions, reviewed further later in the paper, are provided to pensioners, the elderly, disabled, students, and the unemployed, to ensure that they are not disadvantaged by not being able to access transport services.
19. The Seniors Card entitles NSW residents over 60 years of age and not in full-time employment to Special Excursion Tickets and Half-Fare Travel, as below :
- One Dollar (\$1) Excursion Tickets on suburban rail and government-owned bus/ferry services within the Sydney suburban area (and the same in Newcastle) ;
 - Two Dollar (\$2) Excursion Tickets for travel by suburban rail and government-owned bus/ferry services within the Sydney suburban and outer metropolitan area ;
 - Three Dollar (\$3) Excursion Tickets for train travel within an area centred on Sydney stretching 250 km to the north, 120 km to the west, 170 km to the south-west and 120 km to the south ;
 - Two Dollar (\$2) Country Excursion Tickets for a single or return rail journey of up to 129 km wholly outside the metropolitan area ; and
 - Half Fare Travel within NSW in all State Rail train and coach services, and all buses and ferries in the State whether publicly or privately operated.
20. None of the above are means-tested. Seniors in receipt of full fringe benefits from the Department of Social Security or the Department of Veterans' Affairs additionally have access to two intrastate rail vouchers per year (at a nominal cost of \$10 each) and half-fare concessions for interstate travel.

OLDER PEOPLE AS TRANSPORT USERS

CONCERNS

21. In consultation with older people, transport consistently emerges as a major concern in all areas, but most particularly in outer metropolitan and rural areas. The main concerns can be summarised as follows :
- exclusion from community participation through loss of mobility ;
 - frail older people at risk of isolation in their homes ;
 - unfairness in concessions favouring residents of inner Sydney ;
 - increasing reliance on public transport with advancing age ;

- public transport inadequacy or inappropriateness in some areas ;
 - poor access to medical facilities, especially in rural areas ;
 - practical difficulties faced by older travellers, e g steps or stairs ; and
 - limited and little publicised services for those with disabilities.
22. City dwellers enjoy better transport than those elsewhere. The adequacy of and pricing policies for public transport in areas such as the North Coast of NSW, a popular retirement area, is generating disenchantment among retirees. Older people in country areas are vocal in their demands for fairer treatment compared to city dwellers who have access to a wider range of concessions as well as to the wider range of services that bigger cities can support.
23. The private car dominates means of transport for all age groups in NSW. Most of these concerns of older people, as listed above, relate to public transport. Older age groups are relatively more reliant on public transport. NSW already has the most generous transport concessions in Australia for older people (Department of Transport, 1990), and in the last five years there have been many initiatives to improve the quality of public transport infrastructure and services. These include :
- railway station upgrading programs ;
 - protection of minimum service levels and maximum fare levels for bus services in all areas ;
 - introduction of a 'kneeling bus' and other vehicle modifications ;
 - improved signage and information services for people with visual or hearing impairment ; and
 - staff training programs on the needs of older travellers.

Despite these positive features, *some older people still find that what transport is available is inadequate, inappropriate or unaffordable.*

24. The pedestrian environment can often be a hazardous one for older people due to traffic problems, as Dobinson (1994) has shown in a report submitted to the recent NSW Parliamentary Inquiry into pedestrian safety. People over the age of 60 comprise 16 percent of the population but are involved in 20 percent of pedestrian accidents where injuries occur, and 50 percent of the fatalities. Those aged 70 and over have a 50 percent greater incidence of being involved in accidents than other pedestrians, and are four times as likely to be killed.

TRAVEL IN URBAN AREAS

25. **Figure 3** combines population data for the Greater Metropolitan Area for 1991 with trip-making behaviour as recorded by the RTA's Metropolitan Travel Survey of 20,000 households in 1991. The figure shows how the frequency of travel for the main modes of transport varies by age group, for the average weekday. Mechanical transport is shown above the horizontal axis and walking below it.

26. Figure 3 shows that travel by car, as driver or passenger, dominates the mobility of all age groups except the very old. Mobility (the total number of trips made per head) decreases as age increases beyond 55. The number of trips per head by public transport remains fairly stable as age increases beyond 55, while total trips fall - hence public transport reliance increases. Reliance on walking also increases as age increases. Within public transport, the relative use made of bus and train becomes notably weighted towards bus as age increases. The most noticeable decline in mobility appears to occur in late middle age rather than old age, and affects car, train and pedestrian trips : there is a small compensating rise in bus travel. *As people get older they make fewer trips and reliance on public transport increases.*

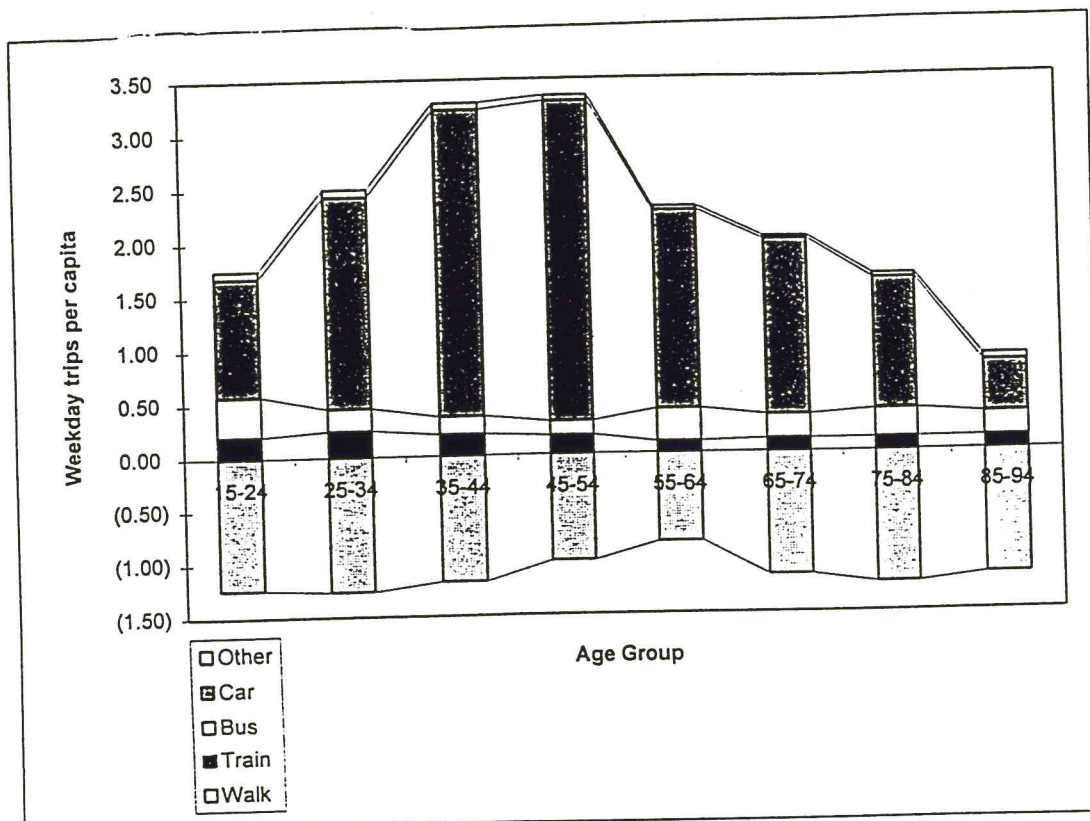


Figure 3 - Trips per capita in the Greater Metropolitan Area 1991 for average weekday, by age group and mode
Source : ABS 1995

27. Figure 3 requires interpretation with caution - it shows what people do, but for older people this may be heavily influenced by transport provision (or lack of it) and concessionary availability as discussed further below. It however suggests that older people's social participation becomes more localised as age increases (from the increases in bus/walk rates and decreases in car/train) and hence that *transport support for older people could concentrate more on local transport such as small buses or taxis and less on regional facilities (trains)*. Local mobility is particularly important for older people.

28. Figure 3 also indicates the potential importance in public policy of accessibility on foot. Older people do not walk more per head than the rest of the population, but they rely more on walking. As already noted, it can be relatively dangerous for some of them.
29. Public transport use in the metropolitan area is heavily skewed by the better services and concessions offered by the STA services in inner Sydney and Newcastle. The Excursion Tickets listed earlier are interchangeable between SRA and STA services. STA services are restricted to inner Sydney. Also the choice of destinations by rail is much greater for people closer to the centre of the network.
30. The RTA's Home Interview Survey reveals (Sinclair Knight Merz, 1994) that *older people in the STA areas use buses three times as frequently per head as older people living in urban areas served by private bus operators*. There may be several factors causing this discrepancy, including differences in urban density and trip length, but concession availability is certainly one of them. Two thirds of trips made by older people on STA buses are made on return tickets, most of them the \$1 "Excursion Return" not available on private buses.
31. From the 1991 Census, the average individual annual income of older people living in wholly STA-served areas was \$12,400, while for those in wholly private bus areas of the city it was \$9,900. While this does not necessarily mean that older people on STA buses are more wealthy than older private bus passengers, it does appear that *in the metropolitan area the benefits of the most comprehensive concessions apply in areas where incomes are above average for older people*.

TRAVEL IN NON-METROPOLITAN AREAS

32. Data on travel by older people outside the metropolitan area is scarce. Local transport studies for the Far North Coast (Travers Morgan, 1991) and the Mid North Coast (Prism, 1993) included findings for older people that :
- *there is a paucity of suitable public transport services, especially for access to medical facilities ;*
 - *a high percentage of public transport trips are made by taxi ;*
 - *older people are the main users of bus services other than school buses ;*
 - *significant inequity was perceived in the travel concessions available locally, compared to what was offered in the metropolitan area for essentially the same travel purposes (access to local services and facilities).*
33. Bus services throughout NSW, including in non-metropolitan areas, are now provided on a commercial basis by contracted operators who receive monopoly operating rights provided they can provide at least specified minimum service levels at no higher than specified maximum fares.

34. School transport dominates the use of these unsubsidised services in non-metropolitan areas. School students are entitled to free travel to and from school, subject to some minor conditions, and operators are reimbursed by State Government for the half fares that the children would otherwise have had to pay themselves. Some further school services in sparsely settled areas are subsidised.
35. School transport support is expensive (about \$340 million per annum) and has been criticised for devoting an undue quantum of funds to meet the transport needs of a limited group for a limited purpose. The Public Accounts Committee *Inquiry into the School Student Transport Scheme* (1993) recommended, partly prompted by a submission from the Office on Ageing, that "The Department of Transport should seek to determine the extent and availability of existing [school] buses in country areas with a view to establishing a more genuine community use for these buses." The Office hopes to see a more widespread use of these resources to benefit all transport disadvantaged people including older people.

CONCESSIONS AND OTHER TRAVEL SUPPORT IN NSW

36. Access to transport for older people in NSW is supported from Government funds in three main ways :
- *network "Community Service Obligations" (CSO's)*, i.e. the provision of funds to provide non-commercial network elements such as services or fares, supplementing revenue from user charges. CSO funding is currently provided for both city and country rail services, STA bus and ferry services and, in a few places, community transport. Non-school private bus services receive no network CSO payments.
 - *concessions for older people*. Public transport concessions were reviewed earlier. The Roads and Traffic Authority (RTA) also offers concessions on some vehicle and driver fees. Availability of concessions may vary slightly, sometimes distinguishing between pensioners and senior citizens. Most operators are reimbursed by government for lost revenue, while others (e.g. intrastate air services) offer concessions at their own expense as a marketing technique.
 - *provision of special services or concessions*, targeted to travellers with particular needs. This includes the Home and Community Care (HACC) transport needs for the frail aged. A significant proportion of users of ambulances and, under the Taxi Transport Subsidy Scheme for the permanently and severely disabled (TTSS), taxis, are older people.
37. **Table 1** summarises concessionary availability and operator reimbursement.
38. A salient feature of **Table 1** is the support for excursion tickets (and, for CountryLink, two free trips per person per year after payment for a registration

card) on transport services provided by Government operators but not for others.

TABLE 1 SUMMARY OF TRANSPORT CONCESSION AVAILABILITY FOR OLDER PEOPLE AND OPERATOR REIMBURSEMENT IN NSW, 1995

SECTOR	OPERATOR	CONCESSION FARES	LOW COST EXCURSIONS	REIMBURSEMENT FROM GOVERNMENT
Public	SRA Rail	Yes	Yes	Yes
	STA Buses/Ferries	Yes	Yes	Yes
Private	Buses/Ferries	Yes	No	Yes
	Coaches	Yes ¹	No	Yes ² /No
	Taxis	No ³	No	No ³
	Intrastate Air	Yes ¹	No	No

¹ at operator's discretion

² only for services operational before 1989

³ except for permanently and severely disabled passengers

EXPENDITURE DISTRIBUTION

39. Table 2 summarises annual expenditure on these three social aspects of passenger transport for 1993/94, together with a fourth, miscellaneous, category. Table 2 also shows expenditure benefitting groups other than older people, to provide a broad context. The data is derived from an interpretation of the NSW Budget Papers for 1993-94. Some significant qualifications appear in the explanatory notes.
40. Table 2 shows budgetted figures, rather than actual. Three significant omissions are the network support payment to Freight Rail for rail freight, budgetted at \$125M; further network support for the railways, identified as a target for elimination through the structural reform process; and the support for the road system of NSW, which is not amenable to presentation in these terms because of the intervention of federal government in road funding.
41. A total of \$935M was budgetted for social expenditure on transport in NSW in 1993/94. Of this 13 percent was devoted to network support, 35 percent to income support for users (via concessions), 48 percent to targetted schemes and 4 percent for miscellaneous purposes. *Of the \$330M in concessionary expenditure, \$233M was allocated to pensioners and senior citizens. About 30 percent of pensions are not related to age.*
42. Of the amount allocated to concessions for pensioners and senior citizens, travel by train attracted 37 percent, by bus 26 percent, by ferry 3 percent and by car 34 percent. Travel by taxi (other than TTSS use) received no support.

TABLE 2 BUDGETTED SOCIAL EXPENDITURE ON PASSENGER TRANSPORT IN NSW 1993/94 (\$M)
(Programs for older people highlighted)

ITEM	CITY RAIL	COUNTRY LINK (Rail)	STA BUS	STA FERRY	PRIVATE BUS	OTHER	ALL
<u>Network Support</u> ¹	60.5	7.6	31.0	17.2	0.0 ²	1.0 ³	117.3
<u>Targetted Schemes</u>							
Schoolchildren (SSTS) ^{4,5}	34.4	5.0	28.1	0.9	242.8	28.5 ⁸	339.7
Sick (Ambulance Service)						95.5 ⁹	95.5
Disabled (TTSS)						7.3	7.3
Frail aged (HACC)						7.3	7.3
Subtotal	34.4	5.0	28.1	0.9	242.8	138.6	449.8
<u>Income Support (Concessions)</u>							
Pensioners¹⁰ and Senior Citizens	54.7	31.1	42.0	6.7	18.6 ¹¹	80.2 ¹⁰	233.3
Unemployed	24.7	2.8	7.1	0.7	2.1 ¹¹	0.0	37.4
Students ⁵	22.0	17.3	15.3	0.5	0.0	0.0	55.1
Others	2.2	0.6	1.3	0.0	0.0	0.0	4.1
Subtotal	103.6	51.8	65.7	7.9	20.7	80.2	329.9
<u>Other Expenditure</u>							
G.O.C. ⁶			11.7	1.3			13.0
Easy Access ⁷	11.3						11.3
Rural Coaches					10.5		10.5
Nightride buses					3.5		3.5
Subtotal	11.3	0.0	11.7	1.3	14.0	0.0	38.3
TOTAL	209.7	64.4	136.5	27.3	277.5	219.8	935.2

Source : NSW Budget Papers 1993/94, interpreted by Sinclair Knight Merz (1994)

- 1 Excludes support payments to SRA considered reducible through structural reform, of comparable magnitude to the network support shown. The allocation of rail funding between network support, structural reform payments and concessionary reimbursement in 1993/94 is an initial estimate and is expected to be refined over time as better data and techniques become available. Road network support also omitted.
- 2 Private bus operations are now contracted throughout NSW on commercial basis
- 3 Community transport other than HACC
- 4 SSTS is considered as "targetted" because it only pays for journeys to/from school
- 5 Split between SSTS and student concessions for rail determined post-Budget by DoT
- 6 "Government Operating Conditions", i.e. support for higher employment costs than the private sector, for instance superannuation. Split between bus and ferry is assumed
- 7 Upgrading of pedestrian/disabled access to rail interchanges (other capital works are excluded)
- 8 \$21M for DSE payments for disabled school transport, \$7.5M for car use
- 9 Net of user contributions
- 10 Lost revenue from RTA vehicle registration and driver licence concessions
- 11 Unemployed/pensioner split not recorded - unemployed assumed 10% of total

43. Concessionary expenditure for pensioners and senior citizens using buses and trains has grown by about 12 percent in real terms between 1988/89 and 1993/94. Expenditure on targetted schemes (HACC, TTSS and community transport) has increased by about 110 percent in real terms over the same period, although the amounts involved are much less.
44. Pensioners/senior citizens are the largest beneficiaries under income support programs, and income support forms the second biggest item in the total expenditure (after school transport). However it could be argued that the School Student Transport Scheme (SSTS) is itself a form of income support for families with school children.
45. General network support in transport is almost entirely devoted to services provided by public sector operators.
46. *While private bus operators serve 76 percent of the population of NSW, they received only 30 percent of income support payments on bus travel in 1993/94 and no network support.* Network support for STA is expected to reduce over time through structural reform.

USER PERSPECTIVE

47. From a user perspective rather than a provider one, transport divides not into modes and operators (car, bus, rail) but into different types of trip (holiday, shopping, medical). **Table 3** shows the modes that a traveller might consider for different types of trip, and the degree to which choice is supported or influenced by current funding. Travel is categorised by trip length and purpose as follows, with city/country distinction as appropriate :
 - inter-regional, e g Sydney to North Coast
 - intra-regional, e g trips which are contained within regions such as Sydney or the North Coast, but are still of significant length
 - local travel, e g short trips made with some frequency
 - excursions, trips made largely for the purpose of making trips
48. Additionally, "Access" is shown as a category in **Table 3**. This is to accommodate support for older road users, who receive concessions in charges allowing them to use the road system if they are vehicle owners and/or capable of driving, but not for actually travelling.
49. **Table 3** demonstrates a considerable degree of operator selectivity in support. For instance, an older person wishing to make a long distance (inter-regional) journey may well find car, coach or air travel more convenient than rail, but will use the train because of the concession. The logic of this is questionable and depends very much on what the purpose of the concession is considered to be.

TABLE 3 DEGREE OF PUBLIC FUNDING SUPPORT FOR OLDER PEOPLE'S TRAVEL IN NSW

MODE	INTER	INTRA	REGIONAL	LOCAL	TRAVEL	EXCUR-	ACCESS
	REGIONAL	metro	non-metro	metro	non-metro	SIONS	
SRA - Countrylink	supported	n/a	supported	n/a	n/a	supported	n/a
Private coaches	partial	n/a	partial	n/a	n/a	none	n/a
Intrastate air	none	n/a	n/a	n/a	n/a	n/a	n/a
SRA - CityRail	n/a	supported	n/a	n/a	n/a	supported	n/a
Private buses/coaches	n/a	partial	partial	partial	partial	none	n/a
STA - buses	n/a	supported	n/a	supported	n/a	supported	n/a
Taxis	n/a	n/a	n/a	none	none	n/a	n/a
STA - ferries	n/a	n/a	n/a	supported	n/a	supported	n/a
Private ferries	n/a	n/a	n/a	partial	partial	none	n/a
Private cars	none	none	none	none	none	none	supported

NOTES

"supported" indicates network CSO's and concessions reimbursed
 "partial" indicates no network CSO's but concessions reimbursed
 "none" indicates no network CSO's and no reimbursement
 "n/a" indicates that the operator does not serve the market
 Targetted schemes such as TTSS (taxi travel for the disabled) are excluded

NSW POLICY DIRECTIONS

TRANSPORT POLICY

50. The two most significant changes in recent years for public transport in NSW have been the introduction of the "minimum service levels" policy and associated changes, via the 1990 Passenger Transport Act, and the structural reform of government-owned public transport businesses in NSW.
51. The regulatory reforms are described in other literature, e g Henderson (1995). The effects on older people are the same as for all members of the community. These effects are direct, including extension of the hours of operation of some services, improvement in the standard of vehicles used, and greater market awareness by operators. This last factor has led to the opening up of new routes and innovative use of minibuses in lower density areas.
52. Microeconomic reform of NSW transport Government Trading Enterprises (GTE's) is in progress. For SRA this involves the adoption of "World's Best Practice" benchmarks as objectives. For STA it involves conformance to the terms of commercial contracts under the 1990 Passenger Transport Act, which applies uniformly to public and private sector bus operators. Both these moves necessitate greater management accountability and hence greater transparency in financial matters, as the GTE's adjust to their role as wholly Commercial Sector agencies.

53. The Commonwealth Disability Discrimination Act of 1992 has led to growing momentum for improvements to transport services. An Accessible Transport Taskforce was set up in late 1994, with all transport ministers from federal, state and territory governments, to develop a national strategy to ensure compliance by the public transport sector with the Act. The Taskforce has submitted a report and all ministers have endorsed the recommendations. Standards have to be developed within one year and all public transport must be fully accessible within two decades.

SOCIAL POLICY

54. The NSW Treasury has been developing a Social Programs Policy in regard to the non-commercial activities of Government Trading Enterprises (GTE's) which require funding from the budget. In public transport, these are SRA and STA. The policy represents a move towards an eventual "purchaser-producer" model, whereby Ministers responsible for social policy determine services or other features required in pursuit of specified policy objectives, and GTE's - if these remain the preferred means of delivery - then produce these services under commercial discipline.
55. The Policy was being implemented in two phases. In Phase I, to be completed by the 1995-96 budget cycle for all GTE's, core commercial activities (to be agreed by the portfolio minister) must be distinguished from non-commercial activities. The non-commercial activities must be identified, costed, evaluated and reported as proposed Social Programs. This includes the identification of specific social objectives for the activity.
56. Initiation of progress beyond this is subject to consideration by Cabinet of the results of the first phase. In the second stage, the Expenditure Review Committee of Cabinet may assign policy responsibility for proposed Social Programs to appropriate purchasing Ministers, who will be free to contract for delivery by other means if this is more efficient. Also, if a Social Program cannot be shown to achieve a social objective, it could be altered or abandoned.
57. For the specific issue of travel concessions for older people, it will thus be necessary to be quite clear about the purposes of these concessions. Most current arrangements are the result of a sequence of marginal changes stretching back over a considerable time. The excursion concession was originally introduced in the 1960's to give pensioners cheaper rail travel on Sundays, and validity has been incrementally extended many times (often around election time). *Greater clarity as to the social purposes of concessions will be beneficial* whether or not the Social Programs Policy proceeds as planned. We now consider these purposes.

REVIEW

SOCIAL OBJECTIVES BEHIND TRANSPORT CONCESSIONS

58. From research conducted for the Office on Ageing (Sinclair Knight Merz, 1994), the authors suggest that a possible model would recognise three types of objective behind current concessions. These would be :

- "threshold: - the social objective of looking after groups of people with particular disadvantages to bring them up to the threshold of basic mobility and/or accessibility to key services.
- "preference" - the political objective of giving certain groups in society preferential treatment.
- "commercial" - the marketing objective of giving low-cost access to surplus resources to obtain the marginal revenue, i e discount fares to attract passengers.

59. It may be argued that another objective is the "externality" principle - that travel for older people is supported in order to achieve outcomes only indirectly related to transport. Such outcomes could be reduction of pressure on health care budgets - socially active people with adequate transport may have fewer health difficulties than those no longer able to participate ; or environmental and/or safety benefits, by encouraging older people to convert the habit of driving themselves into other forms of mobility. Such principles may become more explicit in future, but at present they are at best *post hoc* rationalisations.

60. Examples will illustrate the distinctions :

- Specialised schemes such as Home and Community Care (HACC) and the Taxi Transport Subsidy Scheme (TTSS) give basic mobility to the frail aged and the severely disabled respectively - they are threshold support.
- Support for half-fare travel by older people on all buses and trains is largely a preference objective, as is the provision of low cost urban excursion tickets whose validity extends to peak periods.
- Low cost urban excursion tickets at off-peak times give older people access to otherwise empty bus or train seats for \$1. This could be a commercial objective, if more people are induced to travel and the net revenue is positive.

OPPORTUNITIES FOR REFORM

61. General progress can be achieved by clarification of the linkage between objectives and support, as discussed above.

62. For threshold-based concessions and support, *progress can be achieved by refining the targeting of specific disadvantage groups, so that fewer people in need of special assistance would be left without a basic level of mobility support.* Anomalies abound - for instance some older people are unable to afford transport to out-of-area medical treatment for serious conditions, while

comparable out-of-area trips by others are being supported by school transport concessions. Consultation has highlighted the importance for older people of access to medical facilities : the trend away from institutional care is accentuating this need, particularly for the frail. Progress in this area is likely to lead to increased public expenditure.

63. For preference-based concessions and support, *progress can be achieved by reducing the inequity inherent in the current geographic availability of concessions*. The main issues are the city/country difference, the variation of treatment between inner and outer metropolitan areas, and the preferential support of some modes or operators over others. There are clearly political difficulties associated with this, if the impacts on expenditure are treated as a constraint. Robbing Peter to pay Paul may be an effective strategy to increase general equity, but is unlikely to be attractive to Peter. A packaged approach is indicated, whereby a whole range of mutually dependent improvements are introduced together.
64. For commercially-based concessions and support, *progress - from a public policy viewpoint, at least - can be basing reimbursement on a more realistic and commercial basis* and withdrawing it for concessions which it is in the operators' interests to give anyway. Cinema proprietors in NSW give half-price entry to Seniors' Card holders without any expectation of reimbursement from Government for lost ticket revenue : it is a market for them.
65. A package of actions can be envisaged : some actions will increase public expenditure and others will reduce it. A budget-neutral effect is a feasible objective. The issue as to whether the right amount is being spent is unlikely to be resolved in the short-term, but spending the current amount more equitably may be more amenable to short-term reform.
66. Even so, further research is required (and is proceeding) before definite proposals can be developed based on this "top-down" philosophy. In many cases, the concerns of older people are "bottom-up" - the lack of specific local transport facilities in specific areas. The policy development described above is therefore being accompanied in NSW by a proposed practical program of supporting local public transport ideas as developed by communities for themselves. This would widen the range of concepts in general use. Local projects have yet to be selected, but may, for instance, take the form of :
 - demonstration projects for innovative local transport ;
 - flexible use of spare off-peak buses between 0930 and 1500 ;
 - identification of latent demand and subsequent provision of new services ;
 - booking of taxis for train passengers before night arrivals ;
 - better communication channels between older people and service providers ;
 - increased access to taxi services ; or
 - other ideas.

CONCLUSION

67. Improvements in transport for older people should be sought within an integrated framework for policy options, driven by the identification of social objectives and applied to the needs of travellers.
68. In the short term this framework should be applied to develop budget-neutral packages of options, and further research is being directed towards this end. Practical trials and/or demonstrations of innovation in local transport can be organised while this research is proceeding.
69. This combination of policy development based on traveller needs, and increasing the variety of local transport schemes, should help to make NSW the best state in Australia to grow older in.

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