

Mr Paul Davies  
Economic Development and Transport  
Committee  
National Assembly for Wales  
Cardiff Bay  
**CARDIFF**  
**CF99 1NA**

(by e-mail)



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Our reference: 652/06

Dear Mr Davies

**WELSH ASSEMBLY GOVERNMENT – ECONOMIC DEVELOPMENT AND  
TRANSPORT COMMITTEE – POLICY REVIEW INTO ECONOMIC ACTIVITY**

The Rail Passengers Committee is grateful for the opportunity to comment on this review. Our reply will refer to the specific conditions outlined in the Terms of Reference for the review

- i. To consider the high levels of economic inactivity in Wales and the factors underlying them:*
1. Some people choose economic inactivity because they have children of school age and any income they earn over a certain level will result in their social security “top-up” reduced on a like for like basis. Understandably, they feel there is little point working if they are going to be no better off as a result.
  2. A significant number choose economic inactivity because they recognise they will never get a job again, due to ageism. Anyone over 50 is up against a culture of "old people are not worth employing". This particularly hits skilled workers, who may be resistant to taking a menial, unskilled job for the remainder of their working life.

The paper EDT 05-03(p3) seems to think that inactivity is the preserve of the unskilled!  
This is wrong - people with skills can find themselves in a situation where attempts to find

suitable work prove fruitless because of their age. Eventually, they give up and choose economic inactivity.

3. Low pay is a reason for economic inactivity. When setting up in Europe, international companies are attracted to the U.K. because of lower Social Security overheads. Some offer a pay rate at or just above the minimum wage and this is simply not enough to tempt some people into working for them!
  4. There is greater expectation of good working conditions, which is not met by some jobs. Night shift work is unpopular, unless matched with high pay.
  5. The other people overlooked by the paper are the "workshy" - those who deliberately decide not to take employment. They exist in a "twilight world", claiming benefits when they can, with small number perhaps engaging in criminal activity e.g. drug dealing, smuggling alcohol/tobacco, when they feel the gains outweigh the risks.
- ii. *To consider the policies to raise economic activity levels being pursued by the Welsh Assembly Government and other agencies:*
1. Retraining of people seeking work but not having the right skills is important. Some Members are disappointed that ELWa was forced to suspend individual learning accounts and new initiatives are required in this area.
  2. Taking jobs to the people is not being pushed hard enough. If Wales had broadband internet access available at reasonable rates to the majority of citizens, it would allow some people to work from home and boost employment for those in rural areas or with home-caring (young or elderly relatives) responsibilities.
  3. Cheaper fares on public transport would reduce the cost of getting to/from work and make some of the lower paid jobs more attractive. It would be useful if employers were allowed to subsidise tax-free the cost of travel to work, provided this was wholly by walking, cycling or public transport.
  4. Some Members felt that Income Tax personal allowances should be raised, so that those in part time or low paid employment can retain most/all of their pay.

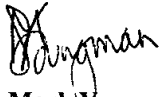
In terms of recommendations to develop any policies, the one that stands out from a transport perspective, is the absolute necessity for there to be reliable and affordable public transport, across all modes. The various costs of the modes of transport must have some correlation and the incentive to use public transport is weakened if one part of it is priced too high. By way of an example, it is now not uncommon for the cost of parking a car at a rail station to be higher than the cost of the train journey. In this example the high car parking costs swallows up any savings or incentive to use the affordable train (a situation which could be resolved by giving a discount on car parking to rail users.)

Following from this, another suggestion is to look at the possibility of extending the free bus travel for over 60s, to rail services. The success of the free bus pass has led to many calls to extend it to rail services, and indeed some local authorities in Wales already subsidise over 60s rail travel.

As well as the costs of different transport modes matching one another, the level of service and facilities between the modes of transport has also to match. This applies to ticketing, reliability of service, provision of information and comfort.

I hope these comments are of some use.

Yours sincerely



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