

## FACT SHEET

# Review of fares for metropolitan and outer metropolitan bus services from January 2010

On 13 October 2009, we released our draft determination on bus fares for the metropolitan and outer metropolitan regions of NSW. We invite all interested parties to make submissions on this determination by 16 November, which we will consider before making our final determination in December.

### How fares would change

Under the draft determination, fares in all 25 regions would increase by an average of 3.5% (or 1.5% plus forecast inflation) on 3 January 2010. Fares would rise by an average of 14.8% (or 6% plus inflation) over the whole 4 year period.

More specifically, the price of:

- ▼ **Single trip tickets** would increase by between 10 and 20 cents on 3 January 2010 and by up to 30 cents a year over the subsequent three years (depending on the length of the journey).
- ▼ **TravelTen, Private Bus Weekly and T-WayTen** tickets would increase by between 40 cents and \$1.60 on 3 January 2010 (depending on the length of the journey). Over the subsequent three years, most of these tickets would increase by between 80 cents and \$1.60 a year.
- ▼ **Weekly TravelPasses** would increase by between \$1.00 and \$2.00 on 3 January 2010 and by between \$1.00 and \$2.00 a year over the subsequent three years.
- ▼ **Time-based fares** in Newcastle would increase by between 10 and 30 cents on 3 January 2010 and by between 10 and 40 cents per year over the subsequent three years (depending on the length of time the ticket applies).
- ▼ **TimeTen** tickets in Newcastle would increase by 90 cents on 3 January 2010 and by between 90 cents and \$1.00 per year over the subsequent three years.

A complete list of new fares is provided in Attachment A. The maximum fares under our draft decision are based on the current fares for each ticket type, increased each year by the average increase in fares, which is approximately the same in every year of the determination. The increases in maximum fares shown below are slightly different for each ticket because each fare has been rounded (to the nearest 10 cents

or dollar, depending on the ticket). Please note that the listed fares are based on forecast annual inflation rates of 2.0 per cent. If the actual inflation rate differed from the forecast rate in any year, then fares for that year would be adjusted to reflect the difference.

## How we set fares

We believe the draft determination results in fares that ensure fare-paying passengers make a fair and appropriate contribution to the efficient costs of providing the services they use, and will encourage optimal use of bus services. To set these fares we undertook rigorous analysis to estimate:

- ▼ the total efficient costs of providing the contracted bus services (including operator and RTA costs<sup>1</sup>), and
- ▼ the external benefits generated by these services (that is, the benefits for the whole community, not just bus users, such as reduced road congestion and reduced air pollution).

We subtracted the value of the external benefits from the efficient costs, because we consider it reasonable for the Government to subsidise bus fares to a level consistent with this value. We also subtracted the costs of providing free bus services to school students and concession fares to pensioners and other disadvantaged groups. We did this because we consider the Government, not bus passengers, should fund the costs of these social welfare policies. We then set fares to recover the remaining amount (taking into account the forecast patronage of bus services over the determination period).

For more detail on how we set fares, or information on how to make a submission, please refer to our draft report, *Review of fares for metropolitan and outer metropolitan bus services*, which is available on our website <<http://www.ipart.nsw.gov.au>>.

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<sup>1</sup> For example, RTA costs include those of providing and maintaining bus priority measures, such as bus lanes, priority traffic signals and bus bays along major bus corridors.

## A IPART's draft decision on bus fares for 2010 – 2013

This attachment sets out the fares to apply from 2010-2013 under our draft determination.

### A.1 Single trip tickets

The maximum prices for single adult tickets are shown in Table A.1.

**Table A.1 Single adult fares**

Sections	2009	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change	Total change 2009-2013
	Fare (\$ nominal)	Fare (\$ nominal)				(\$ nominal)	(% nominal)
1 to 2	1.90	2.00	2.00	2.10	2.20	0.30	15.8%
3 to 5	3.20	3.30	3.40	3.50	3.70	0.50	15.6%
6 to 9	4.20	4.30	4.50	4.70	4.80	0.60	14.3%
10 to 15	5.00	5.20	5.40	5.50	5.70	0.70	14.0%
16+	6.10	6.30	6.50	6.80	7.00	0.90	14.8%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0 per cent. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWTI's rounding conventions.

### A.2 TravelTen, T-WayTen and private bus weekly tickets

We decided to continue to price TravelTen, private bus weekly and T-Way Ten tickets based on the price of 10 single tickets less a 20 per cent discount. The maximum prices for these multi-trip tickets are shown in Table A.2.

**Table A.2 TravelTen, T-Way Ten and private bus weekly adult fares**

Sections	2009	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change	Total change 2009-2013
	Fare (\$ nominal) <sup>a</sup>	Fare (\$ nominal)				(\$ nominal)	(% nominal)
1 to 2	15.20/15.30	16.00	16.00	16.80	17.60	2.40/2.30	15.8/15.0%
3 to 5	25.60	26.40	27.20	28.00	29.60	4.00	15.6/15.6%
6 to 9	33.60/34.00	34.40	36.00	37.60	38.40	4.80/4.40	14.3/12.9%
10 to 15	40.00/40.80	41.60	43.20	44.00	45.60	5.60/4.80	14.0/11.8%
16+	48.80/49.30	50.40	52.00	54.40	56.00	7.20/6.70	14.8/13.6%

<sup>a</sup> T-WayTen fares are the higher of the two amounts shown.

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0 per cent. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWTI's rounding conventions.

T-Way BusPlus tickets combine train and T-Way bus services to provide unlimited weekly travel to and from a destination via the Liverpool to Parramatta Transitway. The fare is calculated by combining the seven day rail pass fare and the T-Way fare. The T-Way component is calculated on number of sections travelled. The maximum prices for T-Way BusPlus weekly adult tickets are shown in Table A.3.

**Table A.3 T-Way BusPlus weekly adult fares**

Sections	2009	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change	Total change 2009-2013
	Fare (\$ nominal)	Fare (\$ nominal)				(\$ nominal)	(% nominal)
1 to 2	14.40	14.90	15.40	15.90	16.50	2.10	14.6%
3 to 5	26.70	27.60	28.60	29.60	30.60	3.90	14.6%
6 to 9	38.00	39.30	40.70	42.10	43.50	5.50	14.5%
10 to 15	54.60	56.50	58.40	60.50	62.60	8.00	14.7%
16+	69.30	71.70	74.20	76.70	79.40	10.10	14.6%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0 per cent. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination.

The T-Way weekly ticket provides for unlimited weekly travel on T-Way services throughout designated zones. The maximum prices for T-Way weekly adult tickets are shown in Table A.4.

**Table A.4 T-Way weekly adult fares**

Sections	2009	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change	Total change 2009-2013
	Fare (\$ nominal)	Fare (\$ nominal)				(\$ nominal)	(% nominal)
North (section 1-10)	38.00	39.30	40.70	42.10	43.50	5.50	14.5%
South (section 10-19)	38.00	39.30	40.70	42.10	43.50	5.50	14.5%
North + South (section 1-19)	69.30	71.70	74.20	76.70	79.40	10.10	14.6%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0 per cent. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWRTI's rounding conventions.

### A.3 One- and two-mode TravelPasses

The maximum prices for one- and two-mode TravelPasses are shown in Table A.5. The prices for three-mode TravelPasses were set in IPART's 2009 CityRail determination.

**Table A.5 Fares for one- and two-mode adult weekly TravelPasses**

Sections	2009	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change	Total change 2009-2013
	Fare (\$ nominal)	Fare (\$ nominal)				(\$ nominal)	(% nominal)
Blue	34.00	35.00	36.00	38.00	39.00	5.00	14.7%
Orange	43.00	44.00	46.00	48.00	49.00	6.00	14.0%
Pittwater	58.00	60.00	62.00	64.00	66.00	8.00	13.8%
2-Zone	34.00	35.00	36.00	38.00	39.00	5.00	14.7%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0 per cent. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest dollar in accordance with IPART's legal determination and NSWRTI's rounding conventions.

### A.4 Bus tickets in Newcastle

The maximum prices for Newcastle time-based fares are shown in Table A.6 and Table A.7.

**Table A.6 Newcastle time-based fares**

Sections	2009	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change	Total change 2009-2013
	Fare (\$ nominal)	Fare (\$ nominal)				(\$ nominal)	(% nominal)
1 Hour	3.20	3.30	3.40	3.50	3.70	0.50	15.6%
4 Hours	6.20	6.40	6.60	6.90	7.10	0.90	14.5%
TimeTe n 1 Hour	26.10	27.00	27.90	28.90	29.90	3.80	14.6%
All Day	9.50	9.80	10.20	10.50	10.90	1.40	14.7%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0 per cent. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWRTI's rounding conventions.

**Table A.7 Two-mode Newcastle TravelPass**

Sections	2009 Fare (\$ nominal)	From Jan 2010 Fare (\$ nominal)	From Jan 2011 Fare (\$ nominal)	From Jan 2012 Fare (\$ nominal)	From Jan 2013 Fare (\$ nominal)	Cumulative change (\$ nominal)	Total change 2009-2013 (% nominal)
<b>Newcastle Orange</b>	34.00	35.00	36.00	38.00	39.00	5.00	14.7%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0 per cent. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest dollar in accordance with IPART's legal determination and NSWTI's rounding conventions.

## A.5 Bus Tripper, Sports Special and school term pass

The maximum prices for BusTripper and Sports Special adult tickets are shown in Table A.8. The maximum prices for the School term pass ticket are shown in Table A.9.

**Table A.8 Bus Tripper and Sports Special adult fares**

Sections	2009 Fare (\$ nominal)	From Jan 2010 Fare (\$ nominal)	From Jan 2011 Fare (\$ nominal)	From Jan 2012 Fare (\$ nominal)	From Jan 2013 Fare (\$ nominal)	Cumulative change (\$ nominal)	Total change 2009-2013 (% nominal)
<b>Bus Tripper</b>	12.70	13.10	13.60	14.10	14.60	1.90	15.0%
<b>Sports special return</b>	5.60	5.80	6.00	6.20	6.40	0.80	14.3%
<b>Sports special single</b>	3.20	3.30	3.40	3.50	3.70	0.50	15.6%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0 per cent. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWTI's rounding conventions.

**Table A.9 School term pass fares**

Sections	2009 Fare (\$ nominal)	From Jan 2010 Fare (\$ nominal)	From Jan 2011 Fare (\$ nominal)	From Jan 2012 Fare (\$ nominal)	From Jan 2013 Fare (\$ nominal)	Cumulative change (\$ nominal)	Cumulative change (% nominal)
<b>School term pass</b>	45.10	46.70	48.30	49.90	51.70	6.60	14.6%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming a market implied inflation forecast of 2.0 per cent. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWTI's rounding conventions.