

## AVERAGE PUBLIC TRANSPORT FARE INCREASES CAPPED

**Tuesday 10 May 2016 10am**

Public transport fares can increase by an average of 4.2% a year (including inflation) over the next three years under a final determination released today by the Independent Pricing and Regulatory Tribunal (IPART).

IPART has determined the maximum increase that can be applied across all fares, and has recommended a package of fare reforms to the NSW Government designed to improve public transport efficiency, encourage greater use of public transport, and minimise impacts on customers.

The NSW Government will make the final decision about how individual fares will change under the determination.

IPART Chairman Dr Peter Boxall said the final package of recommendations would move towards a more efficient, more integrated transport system, but with a smaller impact on passengers than that proposed in the draft recommendations released in December 2015.

Dr Boxall said extensive feedback including over 1200 submissions was provided throughout the consultation period. Overall the community supports more integrated fares, but expressed concern about the potentially significant increases for some travellers.

IPART's final package of recommendations includes:

- ▼ **A \$2.00 rebate for customers needing to switch** between trains, buses, ferries or light rail on the same journey. This replaces the earlier recommendation for integrated fares to be calculated as if they were single trips, like the fares for passengers changing from train to train, or bus to bus. The recommendation has been modified in response to Transport for NSW advice that the proposed approach could not be implemented within the next three years. The modified recommendation would continue to deliver savings for most passengers switching transport modes.
- ▼ **Applying a 50% discount on travel after the first eight journeys in the week.** This supersedes the previous recommendation for customers to pay for their 10 most expensive journeys in the week. The modified recommendation would reduce the impact on commuters while still increasing the efficiency of the transport system, and also takes account of Transport for NSW feedback about the significant lead times needed to make major changes to the Opal system.
- ▼ **The Gold Opal Card would continue to be available to all holders of a Seniors Card and the Gold Opal Card daily cap would be set at 20% of the Adult daily cap (\$3.60) in place of the current daily cap of \$2.50.** After considering stakeholder comments, IPART continues to assess the increase in the cap for the Gold Opal Card to be affordable, as it has not increased for 11 years while pensions have increased by 74% over this period. IPART has also recommended that Government review the eligibility arrangements for the Seniors Card, so that the benefits of the card are better targeted towards people who most need them.

IPART maintains the recommendations to increase the off-peak discount on trains from 30% to 40%; increase the Adult daily cap from \$15 (Monday to Saturday) to \$18 Monday to Friday in 2016-17, with a lower \$7.20 cap on Saturdays and Sundays.

Dr Boxall said that public transport services are becoming more efficient. The operating costs per trip are forecast to fall by around 5% over the next three years. However, overall costs are continuing to rise as the Government expands and improves services through projects such as the CBD and South-East light rail extension and the Sydney Metro.

“Right now, the efficient cost of providing the rail, bus, ferry and light rail services in Sydney and surrounding areas is around \$4.8 billion a year. While operating costs per trip are reducing overall, total efficient costs will rise to around \$5.6 billion a year by 2018-19,” Dr Boxall said.

“Some fare increases are needed to ensure the additional costs are not borne entirely by taxpayers, but also by those who use public transport the most.

“This determination means that fares will continue to cover around 25% of efficient costs, with taxpayers funding the remaining 75% reflecting the benefits public transport provides to the whole community such as reduced congestion and cleaner air.”

The IPART Determination covers all rail, bus, ferry and light rail services where the Opal Card can be used across Sydney, Newcastle, the Central Coast, Wollongong, the Blue Mountains and the Hunter.

The new Determination for the maximum allowable increase in average fares takes effect from 1 July 2016. The Government decides when any fare changes will commence on or after that date.

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