

10 October 2017



WHAT

IPART has been asked to determine the maximum fares for rural and regional bus services from 1 January 2018, and provide advice to the NSW Government on the development of on-demand services in rural and regional areas of NSW.

We have released a [Draft Report](#) and [Fact Sheet](#) setting out proposing substantial reductions in rural and regional bus fares to encourage greater use of public transport.

For more information see:

[Fact Sheet](#)

[Media Releases](#)

[Draft Report](#)

[Consultant reports](#)

[Cost model](#)

[Draft Determination](#)



WHY

We consider the main purpose of providing taxpayer-subsidised bus services in rural and regional areas is to ensure people with limited travel options – such as those who can't drive or can't afford a car or taxi services – have reasonable access to transport within their local communities. To improve the value for money provided by the services, the fares should be set to meet this purpose.



HOW

We used an approach for setting fares that places significant weight on people's willingness and capacity to pay for the services. We assessed this by examining a range of evidence - including feedback from surveys and stakeholder submissions, comparisons of the current fares with those in metropolitan NSW and bordering jurisdictions, and analysis of the expected elasticity of travel with respect to fares. We also had regard to the other matters we were required to consider in our letter of referral, including the need for greater efficiency in the supply of services and issues related to travel across borders.

Our review process to date has involved detailed analysis and public consultation:

- ▼ In May 2017 we released an [Issues Paper](#) which set out our proposed approach for the review.
- ▼ At the same time, we released online questionnaires for bus operators and passengers.
- ▼ We appointed [AECOM](#) to provide expert advice on the efficient costs of rural and regional bus services.
- ▼ We appointed [ORIMA](#) to undertake a survey of rural and regional areas to understand current demand for public transport and the potential for greater use of more flexible, on-demand services. ORIMA's report is available on our website.



WHERE

This review covers all areas of NSW **except** the Sydney metropolitan and outer areas (Newcastle, Wollongong, part of the Hunter region and Blue Mountains).



WHO

This review affects people who may use bus services provided by private operators under contracts with the NSW Government in rural and regional areas.



WHAT NEXT

We invite [submissions](#) from all interested parties, which we will consider before finalising our decisions and releasing our final report in December 2017.