

REVIEW OF EXTERNAL BENEFITS OF PUBLIC TRANSPORT

16 December 2014

The Independent Pricing and Regulatory Tribunal (IPART) today released a technical paper for public comment measuring the external community benefits of public transport.

The *External Benefits of Public Transport Review* draft report outlines the approach to valuing the benefits to the overall community of rail, bus and ferry journeys that IPART plans to incorporate when calculating future fare prices in Sydney.

IPART Chairman Peter Boxall said each time people use public transport instead of private transport such as cars, there is a net benefit to the community that helps determine how much the NSW Government should subsidise services and how much passengers should pay.

“Our revised approach expands the previous external benefits of reduced congestion and pollution to also include the health benefits of public transport, savings in vehicle operating costs, increased reliability of travel times and fewer road accidents that comes from reducing cars on the road,” Dr Boxall said.

“Against these benefits, we are also proposing to continue to deduct road user charges such as tolls, fuel excise and parking levies which increase the price of driving, and the economic efficiency costs associated with the funds used to subsidise public transport to arrive at a true measure of external benefits that the entire community gains from public transport use.”

Dr Boxall said it is not possible to say what impact this new assessment of external benefits will have on future fares as these are also determined by the costs of operating each service at the time fares are reviewed.

IPART will begin the next round of public transport reviews in 2015, reviewing rail, bus and ferry fares at the same time. New fare determinations are expected to take effect from 1 July 2016.

IPART is seeking feedback on the draft report until 23 March 2015.

A copy of the report is available on IPART's website: www.ipart.nsw.gov.au.

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