

# COMPLIANCE STATEMENT

## Fares for Sydney Trains and NSW TrainLink intercity services, Sydney Ferries and metropolitan and outer metropolitan bus services from January 2015

Based on *Review of fares for CityRail services from January 2013*, *Review of fares for Sydney Ferries services from January 2013*, *Review of fares for metropolitan and outer metropolitan bus services from January 2014*.

IPART has found that Transport for NSW's proposed fares for Sydney Trains and NSW TrainLink Intercity services, Sydney Ferries and metropolitan and outer metropolitan bus services from 4 January 2015 comply with our determinations.


IPART is responsible for determining maximum fares for Sydney Trains and NSW TrainLink Intercity services, Sydney Ferries and metropolitan and outer metropolitan bus services.<sup>1</sup> If Transport for NSW proposes to change fares, it is required to submit a pricing proposal to IPART demonstrating compliance with our determinations.

IPART regulates maximum fares for Sydney Trains and NSW TrainLink Intercity services, Sydney Ferries and metropolitan and outer metropolitan bus services using a 'price cap approach'. Under this approach, Transport for NSW can increase some fares by more and others by less than the maximum average amount provided it ensures the average increase does not exceed the maximum we determined.

Transport for NSW has submitted a pricing proposal setting out fares for Opal and individual tickets on Sydney Trains and NSW TrainLink Intercity services (plus multi modal tickets), Sydney Ferries and metropolitan and outer metropolitan buses from 4 January 2015. We have assessed this proposal and confirmed that the average increase in fares assessed with the current operational Opal rules (in particular the daily and weekly travel caps and weekly travel reward) complies with our determinations for Sydney Trains and NSW

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<sup>1</sup> Our fare determination applies to bus fares on State Transit Authority and private buses in metropolitan and outer metropolitan bus contract regions.



TrainLink Intercity services, Sydney Ferries and metropolitan and outer metropolitan bus services.

IPART does not set fares for the Pensioner Excursion Tickets (PET) and the other concession tickets that can be used on rail, ferry and bus services. These are set by the NSW Government. Transport for NSW has advised that Government will maintain the PET at \$2.50 from January 2015. Concession fares are generally set by Government at half of the full fare.

From 4 January 2015:

- ▼ Sydney Trains and NSW TrainLink Intercity services fares will increase by an average of 3.6%. For example, Opal fares increase by around 2.5% and single tickets will increase by 20 cents.
- ▼ Sydney Ferries fares will increase by an average of 3.4%. For example, Opal fares increase by around 2.5% and single tickets will increase by 20 cents.
- ▼ Metropolitan and outer metropolitan bus fares (except for Newcastle fares)<sup>2</sup> will increase by an average of 2.2%. Opal fares for buses will not change. Single tickets will increase by 10 cents and TravelTen tickets by 80 cents.
- ▼ Newcastle bus fares will increase by an average of 1.5%. For example, Opal fares for buses will not change and 1 hour fares will increase by 10 cents.

Fares for individual tickets can be found at <http://www.transportnsw.info/>.

As Transport for NSW will increase fares by less than the maximum allowed under our determinations, we estimate Transport for NSW will be able to increase fares in 2016 as follows:

- ▼ Sydney Ferry fares by 4.8% on top of the annual increase of 2.4% above inflation.
- ▼ Metropolitan and outer metropolitan bus fares (except Newcastle bus fares) by 0.3% on top of the annual increase of 0.5% above inflation.
- ▼ Newcastle bus fares by 0.9% on top of the annual increase of 0.5% above inflation.

The existing rail determination is due to be replaced at the start of 2016 and consequently our existing determination does not provide for a rail catch up<sup>3</sup> factor for 2015.

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<sup>2</sup> Newcastle has its own price cap.

<sup>3</sup> The Catch-up Factor is the difference between Allowed Fare Revenue and Proposed Fare Revenue. Transport for NSW is allowed to increase fares in future determination years to recover these amounts.