



Independent Pricing and Regulatory Tribunal

# Rural and Regional Bus Services

**Transport — Determination**  
December 2012





Independent Pricing and Regulatory Tribunal

# Rural and Regional Bus Services

Determination No. 7, 2012

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# Preliminary

## 1 Background

- (a) Section 28J(2) of the *Passenger Transport Act 1990* (the **Passenger Transport Act**) permits IPART to conduct investigations and make reports to the Minister on the determination of appropriate maximum fares for Regular Bus Services supplied under a Bus Service Contract.
- (b) Rural and regional bus services are Regular Bus Services which are supplied:
  - (1) under a Bus Service Contract; and
  - (2) in a Rural and Regional Contract Region, (**Rural and Regional Bus Services**).
- (c) In investigating and reporting on the maximum fares for Rural and Regional Bus Services, IPART has had regard to a broad range of matters, including the matters set out in section 28J(5) of the *Passenger Transport Act*.

## 2 Application of this determination

This determination:

- (a) sets the maximum fares for Rural and Regional Bus Services for the 2013 Period;
- (b) sets the formulae to be applied to determine the maximum fares for Rural and Regional Bus Services for:
  - (1) the 2014 Period;
  - (2) the 2015 Period;
  - (3) the 2016 Period; and
  - (4) the 2017 Period;
- (c) commences on the later of:
  - (1) 1 January 2013; and
  - (2) the date that it is published in the NSW Government Gazette (**2013 Commencement Date**); and
- (d) applies from the 2013 Commencement Date to the date on which this determination is replaced (**Determination Period**).

### **3 Replacement of Determination No. 3 of 2011**

This determination replaces Determination No. 3 of 2011 from the 2013 Commencement Date. The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under Determination No. 3 of 2011.

### **4 Compliance**

- (a) By section 28J(6) of the Passenger Transport Act, a Bus Service Contract is taken to include a term to the effect that a passenger must not be charged a fare exceeding the relevant maximum fare determined under section 28J of the Passenger Transport Act.
- (b) Section 28J(7) of the Passenger Transport Act provides that any contravention of the term implied by section 28J(6) in a Bus Service Contract may be remedied at law or in equity as though the term were an essential term to which the parties had by contract agreed.

### **5 Schedules**

- (a) Schedule 1 sets out:
  - (1) the maximum fares for Rural and Regional Bus Services for the 2013 Period (as specified in Table 1); and
  - (2) the formulae to be applied to determine the maximum fares for Rural and Regional Bus Services for each of the following Periods:
    - (A) the 2014 Period;
    - (B) the 2015 Period;
    - (C) the 2016 Period; and
    - (D) the 2017 Period.
- (b) Schedule 2 sets out the rounding rule.
- (c) Schedule 3 sets out the definitions and interpretation provisions.



# Schedule 1 Maximum fares for Rural and Regional Bus Services

## 1 Application

This schedule sets:

- (a) the maximum fares for Rural and Regional Bus Services for the 2013 Period; and
- (b) the formulae to be applied to determine the maximum fares for Rural and Regional Bus Services for each of the following Periods:
  - (1) the 2014 Period;
  - (2) the 2015 Period;
  - (3) the 2016 Period; and
  - (4) the 2017 Period.

## 2 Maximum fares for Rural and Regional Bus Services for the 2013 Period

The maximum fares that may be charged by Bus Operators for Rural and Regional Bus Services for the 2013 Period are set out in Table 1 in the column headed "Rounded fare".

## 3 Maximum fares for Rural and Regional Bus Services for each Period from the 2014 Period to the 2017 Period

- (a) A Bus Operator must ensure that its fares do not exceed the maximum fares determined in accordance with the formula set out in paragraph (b) below and the rule set out in paragraph (c) below for each of the following Periods:
  - (1) the 2014 Period;
  - (2) the 2015 Period;
  - (3) the 2016 Period; and
  - (4) the 2017 Period.
- (b)  $M_{s,t} = (1 + \Delta BICI_t + SG_t) \times M_{s,t-1}$

Where:

$M_{s,t}$  is the maximum unrounded master fare for each Period  $t$  and each section  $s$ .

$M_{s,t-1}$  is the maximum unrounded master fare for each Period t-1 and each section s.

s is each of the 220 sections specified in Table 1 of this Schedule.

t is each Period of the Determination Period (from the 2014 Period to the 2017 Period).

t-1 is the Period immediately preceding Period t.

$\Delta BICI_t$  is the change in the Bus Industry Cost Index (BICI) for each Period t calculated in accordance with clause 4 below.

$SG_t$  is the superannuation guarantee adjustment for each Period t, which is:

- (1) for the 2014 Period, 0;
- (2) for the 2015 Period, 0.10;
- (3) for the 2016 Period, 0.10; and
- (4) for the 2017 Period, 0.19.

[Note: The formula used to calculate these amounts is set out in further detail in the Final Report accompanying this determination.]

- (c) The maximum unrounded fare for each Period t and each section s ( $M_{s,t}$ ) must be rounded in accordance with the Rounding Rule set out in Schedule 2.

## 4 Change in the Bus Industry Cost Index (BICI)

The change in the BICI for Period t ( $\Delta BICI_t$ ) is calculated in accordance with the following formula:

$$\frac{(\sum_{j=1}^6 w_{j,t} \times I_{j,t})}{1.003} - 1$$

Where:

t is each Period of the Determination Period (from the 2014 Period to the 2017 Period).

j is each of the BICI Cost Items identified in the table in clause 5 below.

$w_{j,t}$  is the weight for each BICI Cost item j for each Period t calculated in accordance with clause 6 below.

$I_{j,t}$  is each inflator (specified in clause 5 below or, if the relevant data is not available, an inflator as determined by IPART) for each BICI Cost Item  $j$  for each Period  $t$ .

## 5 Inflator for each BICI Cost Item

The inflator ( $I$ ) for each BICI Cost Item  $j$  for each Period  $t$  is as follows:

BICI Cost Item ( $j$ )	Inflator ( $I$ )
Labour costs	For the 2014 Period: $WPI_1$ as defined in clause 1.3 of Schedule 3 For the 2015 Period: $WPI_2$ as defined in clause 1.3 of Schedule 3 For the 2016 Period: $WPI_3$ as defined in clause 1.3 of Schedule 3 For the 2017 Period: $WPI_4$ as defined in clause 1.3 of Schedule 3
Bus fuel and lubricants	The Inflator determined by IPART for the relevant Period and published on the IPART website
Bus repair and maintenance	For the 2014 Period: $CPIM_1$ as defined in clause 1.4 of Schedule 3 For the 2015 Period: $CPIM_2$ as defined in clause 1.4 of Schedule 3 For the 2016 Period: $CPIM_3$ as defined in clause 1.4 of Schedule 3 For the 2017 Period: $CPIM_4$ as defined in clause 1.4 of Schedule 3
Insurance	For the 2014 Period: $CPIN_1$ as defined in clause 1.5 of Schedule 3 For the 2015 Period: $CPIN_2$ as defined in clause 1.5 of Schedule 3 For the 2016 Period: $CPIN_3$ as defined in clause 1.5 of Schedule 3 For the 2017 Period: $CPIN_4$ as defined in clause 1.5 of Schedule 3
Bus capital costs	For the 2014 Period: $BCC_1$ as defined in clause 1.6 of Schedule 3 For the 2015 Period: $BCC_2$ as defined in clause 1.6 of Schedule 3 For the 2016 Period: $BCC_3$ as defined in clause 1.6 of Schedule 3 For the 2017 Period: $BCC_4$ as defined in clause 1.6 of Schedule 3
Other costs	For the 2014 Period: $CPI_1$ as defined in clause 1.2 of Schedule 3 For the 2015 Period: $CPI_2$ as defined in clause 1.2 of Schedule 3 For the 2016 Period: $CPI_3$ as defined in clause 1.2 of Schedule 3 For the 2017 Period: $CPI_4$ as defined in clause 1.2 of Schedule 3

## 6 Weight for each BICI Cost Item

(a) The weight ( $W$ ) for each BICI Cost Item  $j$  for the 2014 Period is specified in the table below:

BICI Cost Item ( $j$ )	Weight ( $W$ ) for $t = 1$ (2014)
Labour costs	50.7%
Bus fuel and lubricants	9.9%
Bus repair and maintenance	4.6%
Insurance	2.0%
Bus capital costs	18.3%
Other costs	14.5%

(b) The weight (W) for each BICI Cost Item j for each Period t of the following Periods:

- (1) the 2015 Period;
- (2) the 2016 Period; and
- (3) the 2017 Period,

is calculated in accordance with the following formula:

$$w_{j,t} = \frac{w_{j,t-1} \times I_{j,t-1}}{\sum_{j=1}^6 w_{j,t-1} \times I_{j,t-1}}$$

Where:

$w_{j,t}$  is the weight (%) for each BICI Cost item j for the Period t.

$w_{j,t-1}$  is the weight (%) for each BICI Cost item j for the Period t-1.

$I_{j,t-1}$  is each inflator (specified in clause 5 above or, if the relevant data is not available, an inflator as determined by IPART) for the Period t-1 for each BICI Cost Item j.

j is each of the BICI Cost Items identified in the table in clause 5 above.

t is each Period of the Determination Period (from the 2015 Period to the 2017 Period inclusive).

t-1 is the Period immediately preceding Period t.

## 7 Worked example

Assume for the purposes of this worked example only that there are four BICI Cost Items, with weights (W) and inflators (I) for Year 1 as set out in the table below:

BICI Cost Item	Weight (W) for Year 1	Inflator (I) for Year 1
Labour	40%	1.05
Fuel	30%	1.10
Insurance	20%	1.01
Maintenance	10%	1.15
Total	100%	-

**(1) Calculating the change in the Bus Industry Cost Index (ΔBICI) for Year 1**

The change in the Bus Industry Cost Index (ΔBICI) for Year 1 is calculated in accordance with clause 4 as follows (rounded to one decimal place):

$$\frac{(40\% * 1.05) + (30\% * 1.10) + (20\% * 1.01) + (10\% * 1.15)}{1.003} - 1 = 6.4\%$$

**(2) Calculating the maximum fares for Year 1**

- ▼ Assuming for the purposes of this worked example that the maximum fares (unrounded master fares) for Year 0 are as set out in the table below.
- ▼ The maximum fares for Year 1 are calculated in accordance with clause 3 by multiplying the maximum fare (unrounded master fares) for Year 0 by the percentage increase in prices in Year 1 (6.4% in this example) and then rounding to the nearest 10 cents.

Section	Maximum fare (unrounded master fare) Year 0 (\$)	Maximum fare (unrounded master fare) Year 1 (\$)	Maximum fare (rounded fare) Year 1 (\$)
1	2.00	2.13	2.10
2	2.50	2.66	2.70
3	3.00	3.19	3.20
4	3.50	3.72	3.70

**(3) Calculating the weights for Year 2**

- ▼ The Weights (W) for Year 2 are calculated in accordance with clause 6 as follows:

(i) Labour	$\frac{40\% * (1.05)}{106.7\%} = 39.4\%$
(ii) Fuel	$\frac{30\% * (1.10)}{106.7\%} = 30.9\%$
(iii) Insurance	$\frac{20\% * (1.01)}{106.7\%} = 18.9\%$
(iv) Maintenance	$\frac{10\% * (1.15)}{106.7\%} = 10.8\%$

**Table 1 Maximum fares for Rural and Regional Bus Services for the 2013 Period**

<b>Single Ride Ticket<sup>a</sup></b>	<b>Unrounded master fare (\$)</b>	<b>Rounded fare (\$)</b>
1 Section	2.23	2.20
2 Sections	3.30	3.30
3 Sections	4.12	4.10
4 Sections	4.84	4.80
5 Sections	5.47	5.50
6 Sections	6.10	6.10
7 Sections	6.61	6.60
8 Sections	7.14	7.10
9 Sections	7.63	7.60
10 Sections	8.08	8.10
11 Sections	8.49	8.50
12 Sections	8.94	8.90
13 Sections	9.31	9.30
14 Sections	9.74	9.70
15 Sections	10.11	10.10
16 Sections	10.42	10.40
17 Sections	10.81	10.80
18 Sections	11.18	11.20
19 Sections	11.48	11.50
20 Sections	11.85	11.90
21 Sections	12.16	12.20
22 Sections	12.52	12.50
23 Sections	12.82	12.80
24 Sections	13.10	13.10
25 Sections	13.43	13.40
26 Sections	13.69	13.70
27 Sections	14.01	14.00
28 Sections	14.26	14.30
29 Sections	14.53	14.50
30 Sections	14.83	14.80
31 Sections	15.09	15.10
32 Sections	15.39	15.40
33 Sections	15.66	15.70
34 Sections	15.91	15.90
35 Sections	16.15	16.20
36 Sections	16.44	16.40
37 Sections	16.63	16.60

Table 1 Maximum fares for Rural and Regional Bus Services for the 2013 Period

<b>Single Ride Ticket<sup>a</sup></b>	<b>Unrounded master fare (\$)</b>	<b>Rounded fare (\$)</b>
38 Sections	16.92	16.90
39 Sections	17.17	17.20
40 Sections	17.42	17.40
41 Sections	17.63	17.60
42 Sections	17.88	17.90
43 Sections	18.11	18.10
44 Sections	18.34	18.30
45 Sections	18.54	18.50
46 Sections	18.81	18.80
47 Sections	19.02	19.00
48 Sections	19.25	19.30
49 Sections	19.49	19.50
50 Sections	19.70	19.70
51 Sections	19.93	19.90
52 Sections	20.11	20.10
53 Sections	20.36	20.40
54 Sections	20.56	20.60
55 Sections	20.73	20.70
56 Sections	20.97	21.00
57 Sections	21.16	21.20
58 Sections	21.40	21.40
59 Sections	21.56	21.60
60 Sections	21.83	21.80
61 Sections	21.98	22.00
62 Sections	22.21	22.20
63 Sections	22.40	22.40
64 Sections	22.54	22.50
65 Sections	22.84	22.80
66 Sections	23.00	23.00
67 Sections	23.17	23.20
68 Sections	23.34	23.30
69 Sections	23.52	23.50
70 Sections	23.77	23.80
71 Sections	28.92	28.90
72 Sections	28.92	28.90
73 Sections	28.92	28.90
74 Sections	28.92	28.90
75 Sections	28.92	28.90
76 Sections	28.92	28.90
77 Sections	28.92	28.90
78 Sections	28.92	28.90

Table 1 Maximum fares for Rural and Regional Bus Services for the 2013 Period

<b>Single Ride Ticket<sup>a</sup></b>	<b>Unrounded master fare (\$)</b>	<b>Rounded fare (\$)</b>
79 Sections	28.92	28.90
80 Sections	28.92	28.90
81 Sections	29.96	30.00
82 Sections	30.99	31.00
83 Sections	30.99	31.00
84 Sections	30.99	31.00
85 Sections	30.99	31.00
86 Sections	33.06	33.10
87 Sections	33.06	33.10
88 Sections	33.06	33.10
89 Sections	33.06	33.10
90 Sections	33.06	33.10
91 Sections	36.16	36.20
92 Sections	36.16	36.20
93 Sections	36.16	36.20
94 Sections	36.16	36.20
95 Sections	36.16	36.20
96 Sections	39.25	39.30
97 Sections	39.25	39.30
98 Sections	39.25	39.30
99 Sections	39.25	39.30
100 Sections	39.25	39.30
101 Sections	39.25	39.30
102 Sections	39.25	39.30
103 Sections	41.32	41.30
104 Sections	41.32	41.30
105 Sections	41.32	41.30
106 Sections	41.32	41.30
107 Sections	41.32	41.30
108 Sections	43.39	43.40
109 Sections	43.39	43.40
110 Sections	43.39	43.40
111 Sections	43.39	43.40
112 Sections	43.39	43.40
113 Sections	43.39	43.40
114 Sections	45.45	45.50
115 Sections	45.45	45.50
116 Sections	45.45	45.50
117 Sections	45.45	45.50
118 Sections	45.45	45.50
119 Sections	45.45	45.50



Table 1 Maximum fares for Rural and Regional Bus Services for the 2013 Period

<b>Single Ride Ticket<sup>a</sup></b>	<b>Unrounded master fare (\$)</b>	<b>Rounded fare (\$)</b>
120 Sections	45.45	45.50
121 Sections	45.45	45.50
122 Sections	45.45	45.50
123 Sections	45.45	45.50
124 Sections	45.45	45.50
125 Sections	46.49	46.50
126 Sections	46.49	46.50
127 Sections	46.49	46.50
128 Sections	46.49	46.50
129 Sections	46.49	46.50
130 Sections	46.49	46.50
131 Sections	46.49	46.50
132 Sections	46.49	46.50
133 Sections	46.49	46.50
134 Sections	46.49	46.50
135 Sections	46.49	46.50
136 Sections	46.49	46.50
137 Sections	46.49	46.50
138 Sections	46.49	46.50
139 Sections	46.49	46.50
140 Sections	46.49	46.50
141 Sections	46.49	46.50
142 Sections	46.49	46.50
143 Sections	46.49	46.50
144 Sections	46.49	46.50
145 Sections	46.49	46.50
146 Sections	46.49	46.50
147 Sections	46.49	46.50
148 Sections	46.49	46.50
149 Sections	46.49	46.50
150 Sections	47.52	47.50
151 Sections	47.52	47.50
152 Sections	47.52	47.50
153 Sections	47.52	47.50
154 Sections	47.52	47.50
155 Sections	47.52	47.50
156 Sections	47.52	47.50
157 Sections	47.52	47.50
158 Sections	47.52	47.50
159 Sections	47.52	47.50
160 Sections	47.52	47.50

Table 1 Maximum fares for Rural and Regional Bus Services for the 2013 Period

<b>Single Ride Ticket<sup>a</sup></b>	<b>Unrounded master fare (\$)</b>	<b>Rounded fare (\$)</b>
161 Sections	47.52	47.50
162 Sections	47.52	47.50
163 Sections	47.52	47.50
164 Sections	47.52	47.50
165 Sections	47.52	47.50
166 Sections	47.52	47.50
167 Sections	47.52	47.50
168 Sections	47.52	47.50
169 Sections	49.58	49.60
170 Sections	50.62	50.60
171 Sections	50.62	50.60
172 Sections	50.62	50.60
173 Sections	50.62	50.60
174 Sections	50.62	50.60
175 Sections	50.62	50.60
176 Sections	50.62	50.60
177 Sections	50.62	50.60
178 Sections	50.62	50.60
179 Sections	50.62	50.60
180 Sections	50.62	50.60
181 Sections	50.62	50.60
182 Sections	50.62	50.60
183 Sections	50.62	50.60
184 Sections	50.62	50.60
185 Sections	50.62	50.60
186 Sections	50.62	50.60
187 Sections	50.62	50.60
188 Sections	50.62	50.60
189 Sections	50.62	50.60
190 Sections	50.62	50.60
191 Sections	50.62	50.60
192 Sections	50.62	50.60
193 Sections	50.62	50.60
194 Sections	50.62	50.60
195 Sections	50.62	50.60
196 Sections	50.62	50.60
197 Sections	50.62	50.60
198 Sections	51.65	51.70
199 Sections	51.65	51.70
200 Sections	51.65	51.70
201 Sections	51.65	51.70

Table 1 Maximum fares for Rural and Regional Bus Services for the 2013 Period

<b>Single Ride Ticket<sup>a</sup></b>	<b>Unrounded master fare (\$)</b>	<b>Rounded fare (\$)</b>
202 Sections	51.65	51.70
203 Sections	51.65	51.70
204 Sections	51.65	51.70
205 Sections	51.65	51.70
206 Sections	51.65	51.70
207 Sections	51.65	51.70
208 Sections	51.65	51.70
209 Sections	51.65	51.70
210 Sections	53.72	53.70
211 Sections	53.72	53.70
212 Sections	53.72	53.70
213 Sections	53.72	53.70
214 Sections	53.72	53.70
215 Sections	53.72	53.70
216 Sections	53.72	53.70
217 Sections	53.72	53.70
218 Sections	53.72	53.70
219 Sections	53.72	53.70
220 Sections	57.85	57.80

<sup>a</sup> Transport for NSW sets concession fares at a discount to the maximum fares set out in this table.

## Schedule 2 Rounding Rule

- (a) Where the Rounding Rule is specified to apply, an amount should be rounded to the nearest 10 cents.
- (b) For the avoidance of doubt, if an unrounded fare is equal to \$Y and 5×Z cents (where Z is equal to 1, 3, 5, 7, 9, 11, 13, 15, 17 or 19), then the rounded ticket price for that ticket will be \$Y and 5×(Z+1) cents.

## Schedule 3 Definitions and interpretation

### 1 Definitions

#### 1.1 General definitions

In this determination:

**2013 Commencement Date** means the 2013 Commencement Date as defined in clause 2(c) of the Preliminary section of this determination.

**2014 Commencement Date** means 1 January 2014 or such other date as specified by IPART.

**2015 Commencement Date** means 1 January 2015 or such other date as specified by IPART.

**2016 Commencement Date** means 1 January 2016 or such other date as specified by IPART.

**2017 Commencement Date** means 1 January 2017 or such other date as specified by IPART.

**2013 Period** means the period commencing on the 2013 Commencement Date and ending on the date immediately before the 2014 Commencement Date.

**2014 Period** means the period commencing on the 2014 Commencement Date and ending on the date immediately before the 2015 Commencement Date.

**2015 Period** means the period commencing on the 2015 Commencement Date and ending on the date immediately before the 2016 Commencement Date.

**2016 Period** means the period commencing on the 2016 Commencement Date and ending on the date immediately before the 2017 Commencement Date.

**2017 Period** means the period commencing on the 2017 Commencement Date and ending on the date immediately before the date that this determination is replaced.

**Bus Operator** means a bus operator who holds a Bus Service Contract.

**Bus Service Contract** means a contract with the Director-General of Transport for NSW under Division 3 of Part 3 of the Passenger Transport Act for the provision of a Regular Bus Service in a Rural and Regional Contract Region.

**Determination No. 3 of 2011** means IPART's Determination No. 3 of 2011 entitled "Rural and Regional Bus Services".

**Determination Period** means the determination period as defined in clause 2(d) of the section of this determination entitled “Preliminary”.

**GST** means the Goods and Services Tax as defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**IPART** means the Independent Pricing and Regulatory Tribunal of New South Wales established under the IPART Act.

**IPART Act** means the *Independent Pricing and Regulatory Tribunal Act 1992*.

**Passenger Transport Act** means the Act defined in clause 1(a) of the Preliminary section of this determination.

**Period** means the 2013 Period, the 2014 Period, the 2015 Period, the 2016 Period or the 2017 Period (as the case may be).

**Regular Bus Service** has the meaning given to that term in the Passenger Transport Act.

**Rural and Regional Bus Services** means the services defined in clause 1(b) of the Preliminary section of this determination.

**Rural and Regional Contract Region** means all areas of New South Wales other than the regions numbered and labelled “Metro Bus Contract/Region” or “Outer Metro Bus Contract/Region” in the map attached as Appendix A to this determination.

**Single Ride Ticket** means a ticket for a single bus journey for the number of Sections specified on the ticket. The journey must be completed on the day on which the ticket is validated on the bus.

**Section** means a distance of approximately 1.6 kilometres into which a bus route is divided up for calculating fares.

**Transport for NSW** means Transport for NSW as constituted under the *Transport Administration Act 1988*.

## 1.2 Consumer Price Index

(a)

$$CPI_1 = \frac{CPI_{Sep2012} + CPI_{Dec2012} + CPI_{Mar2013} + CPI_{Jun2013}}{CPI_{Sep2011} + CPI_{Dec2011} + CPI_{Mar2012} + CPI_{Jun2012}}$$

$$CPI_2 = \frac{CPI_{Sep2013} + CPI_{Dec2013} + CPI_{Mar2014} + CPI_{Jun2014}}{CPI_{Sep2012} + CPI_{Dec2012} + CPI_{Mar2013} + CPI_{Jun2013}}$$

$$CPI_3 = \frac{CPI_{Sep2014} + CPI_{Dec2014} + CPI_{Mar2015} + CPI_{Jun2015}}{CPI_{Sep2013} + CPI_{Dec2013} + CPI_{Mar2014} + CPI_{Jun2014}}$$

$$CPI_4 = \frac{CPI_{Sep2015} + CPI_{Dec2015} + CPI_{Mar2016} + CPI_{Jun2016}}{CPI_{Sep2014} + CPI_{Dec2014} + CPI_{Mar2015} + CPI_{Jun2015}}$$

- (b) CPI means the consumer price index All Groups index number for Sydney as published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then CPI will mean an index to be determined by IPART.
- (c) The subtext (for example *sep2013*) when used in relation to CPI in paragraph (a) above refers to the CPI for the quarter and year indicated (in the example, the September quarter for 2013).

## 1.3 Wage Price Index

(a)

$$WPI_1 = \frac{WPI_{Sep2012} + WPI_{Dec2012} + WPI_{Mar2013} + WPI_{Jun2013}}{WPI_{Sep2011} + WPI_{Dec2011} + WPI_{Mar2012} + WPI_{Jun2012}}$$

$$WPI_2 = \frac{WPI_{Sep2013} + WPI_{Dec2013} + WPI_{Mar2014} + WPI_{Jun2014}}{WPI_{Sep2012} + WPI_{Dec2012} + WPI_{Mar2013} + WPI_{Jun2013}}$$

$$WPI_3 = \frac{WPI_{Sep2014} + WPI_{Dec2014} + WPI_{Mar2015} + WPI_{Jun2015}}{WPI_{Sep2013} + WPI_{Dec2013} + WPI_{Mar2014} + WPI_{Jun2014}}$$

$$WPI_4 = \frac{WPI_{Sep2015} + WPI_{Dec2015} + WPI_{Mar2016} + WPI_{Jun2016}}{WPI_{Sep2014} + WPI_{Dec2014} + WPI_{Mar2015} + WPI_{Jun2015}}$$

- (b) WPI means the wage price index All Groups index number for Sydney as published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then WPI will mean an index to be determined by IPART.
- (c) The subtext (for example  $_{Sep2013}$ ) when used in relation to WPI in paragraph (a) above refers to the WPI for the quarter and year indicated (in the example, the September quarter for 2013).

#### 1.4 Consumer Price Index (maintenance and repair of motor vehicles)

(a)

$$CPIM_1 = \frac{CPIM_{Sep2012} + CPIM_{Dec2012} + CPIM_{Mar2013} + CPIM_{Jun2013}}{CPIM_{Sep2011} + CPIM_{Dec2011} + CPIM_{Mar2012} + CPIM_{Jun2012}}$$

$$CPIM_2 = \frac{CPIM_{Sep2013} + CPIM_{Dec2013} + CPIM_{Mar2014} + CPIM_{Jun2014}}{CPIM_{Sep2012} + CPIM_{Dec2012} + CPIM_{Mar2013} + CPIM_{Jun2013}}$$

$$CPIM_3 = \frac{CPIM_{Sep2014} + CPIM_{Dec2014} + CPIM_{Mar2015} + CPIM_{Jun2015}}{CPIM_{Sep2013} + CPIM_{Dec2013} + CPIM_{Mar2014} + CPIM_{Jun2014}}$$

$$CPIM_4 = \frac{CPIM_{Sep2015} + CPIM_{Dec2015} + CPIM_{Mar2016} + CPIM_{Jun2016}}{CPIM_{Sep2014} + CPIM_{Dec2014} + CPIM_{Mar2015} + CPIM_{Jun2015}}$$

- (b) CPIM means the consumer price index, maintenance and repair of motor vehicles, index number for Sydney as published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then CPIM will mean an index to be determined by IPART.
- (c) The subtext (for example  $_{Sep2013}$ ) when used in relation to CPIM in paragraph (a) above refers to the CPIM for the quarter and year indicated (in the example, the September quarter for 2013).



## 1.5 Consumer Price Index (insurance)

(a)

$$CPIN_1 = \frac{CPIN_{Sep2012} + CPIN_{Dec2012} + CPIN_{Mar2013} + CPIN_{Jun2013}}{CPIN_{Sep2011} + CPIN_{Dec2011} + CPIN_{Mar2012} + CPIN_{Jun2012}}$$

$$CPIN_2 = \frac{CPIN_{Sep2013} + CPIN_{Dec2013} + CPIN_{Mar2014} + CPIN_{Jun2014}}{CPIN_{Sep2012} + CPIN_{Dec2012} + CPIN_{Mar2013} + CPIN_{Jun2013}}$$

$$CPIN_3 = \frac{CPIN_{Sep2014} + CPIN_{Dec2014} + CPIN_{Mar2015} + CPIN_{Jun2015}}{CPIN_{Sep2013} + CPIN_{Dec2013} + CPIN_{Mar2014} + CPIN_{Jun2014}}$$

$$CPIN_4 = \frac{CPIN_{Sep2015} + CPIN_{Dec2015} + CPIN_{Mar2016} + CPIN_{Jun2016}}{CPIN_{Sep2014} + CPIN_{Dec2014} + CPIN_{Mar2015} + CPIN_{Jun2015}}$$

- (b) CPIN means the consumer price index, insurance, index number for Sydney as published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then CPIN will mean an index to be determined by IPART.
- (c) The subtext (for example *Sep2013*) when used in relation to CPIN in paragraph (a) above refers to the CPIN for the quarter and year indicated (in the example, the September quarter for 2013).

## 1.6 Bus capital costs

(a)

$$BCC_1 = \frac{[CPI_{Sep2012} + CPI_{Dec2012} + CPI_{Mar2013} + CPI_{Jun2013}] * i_1 * (1 + i_1)^{144} / ((1 + i_1)^{144} - 1)}{[CPI_{Sep2011} + CPI_{Dec2011} + CPI_{Mar2012} + CPI_{Jun2012}] * i_0 * (1 + i_0)^{144} / ((1 + i_0)^{144} - 1)}$$

$$BCC_2 = \frac{[CPI_{Sep2013} + CPI_{Dec2013} + CPI_{Mar2014} + CPI_{Jun2014}] * i_2 * (1 + i_2)^{144} / ((1 + i_2)^{144} - 1)}{[CPI_{Sep2012} + CPI_{Dec2012} + CPI_{Mar2013} + CPI_{Jun2013}] * i_1 * (1 + i_1)^{144} / ((1 + i_1)^{144} - 1)}$$

$$BCC_3 = \frac{[CPI_{Sep2014} + CPI_{Dec2014} + CPI_{Mar2015} + CPI_{Jun2015}] * i_3 * (1 + i_3)^{144} / ((1 + i_3)^{144} - 1)}{[CPI_{Sep2013} + CPI_{Dec2013} + CPI_{Mar2014} + CPI_{Jun2014}] * i_2 * (1 + i_2)^{144} / ((1 + i_2)^{144} - 1)}$$

$$BCC_4 = \frac{[CPI_{Sep2015} + CPI_{Dec2015} + CPI_{Mar2016} + CPI_{Jun2016}] * i_4 * (1 + i_4)^{144} / ((1 + i_4)^{144} - 1)}{[CPI_{Sep2014} + CPI_{Dec2014} + CPI_{Mar2015} + CPI_{Jun2015}] * i_3 * (1 + i_3)^{144} / ((1 + i_3)^{144} - 1)}$$

Where:

*i* is the Reserve Bank of Australia's business indicator rate, weighted average of credit outstanding, for loans of less than \$2 million (as set out in 'Table D8 - Bank Lending to Business' of the Reserve Bank's Statistical Tables) or, if the Reserve Bank does not or ceases to publish the data, then *i* will mean an interest rate to be determined by IPART.

$$i_0 \text{ is } \frac{i_{Sep2011} + i_{Dec2011} + i_{Mar2012} + i_{Jun2012}}{48}$$

$$i_1 \text{ is } \frac{i_{Sep2012} + i_{Dec2012} + i_{Mar2013} + i_{Jun2013}}{48}$$

$$i_2 \text{ is } \frac{i_{Sep2013} + i_{Dec2013} + i_{Mar2014} + i_{Jun2014}}{48}$$

$$i_3 \text{ is } \frac{i_{Sep2014} + i_{Dec2014} + i_{Mar2015} + i_{Jun2015}}{48}$$

$$i_4 \text{ is } \frac{i_{Sep2015} + i_{Dec2015} + i_{Mar2016} + i_{Jun2016}}{48}$$

CPI is as defined in clause 1.2 of Schedule 3.

- (b) The subtext (for example *Sep2013*) when used in relation to CPI and *i* in paragraph (a) above refers to the CPI and *i* for the quarter and year indicated (in the example, the September quarter for 2013).

[Note: Bus capital costs are amortised over a twelve year period using a monthly formula.]

## 2 Interpretation

### 2.1 General provisions

In this determination:

- (a) headings are for convenience only and do not affect the interpretation of this determination;
- (b) a reference to a schedule, annexure, clause or table is a reference to a schedule, annexure, clause or table to this determination unless otherwise indicated;
- (c) words importing the singular include the plural and vice versa;
- (d) a reference to a law or statute includes regulations, rules, codes and other instruments under it and consolidations, amendments, reenactments or replacements of them;
- (e) where a word is defined, other grammatical forms of that word have a corresponding meaning;
- (f) a reference to a day is to a calendar day;
- (g) a reference to a person includes a company, partnership, joint venture, association, corporation, other body corporate or government agency;
- (h) a reference to an officer includes a reference to the officer who replaces him or her, or who substantially succeeds to his or her powers or functions; and
- (i) a reference to a body, whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

### 2.2 Explanatory notes, simplified outline, worked examples and clarification notice

- (a) Explanatory notes, simplified outlines and worked examples do not form part of this determination, but in the case of uncertainty may be relied on for interpretation purposes.
- (b) IPART may publish a clarification notice in the NSW Government Gazette to correct any manifest error in or to clarify any part of this determination. Such a clarification notice is taken to form part of this determination.

### **2.3 Fares inclusive of GST**

Fares specified in this determination include GST.



## Appendix



## A Metro and Outer Metro Contract Region Map



