



Independent Pricing and Regulatory Tribunal

Sydney Metropolitan and Outer Metropolitan Bus Services

Transport — Draft Determination
September 2013



Independent Pricing and Regulatory Tribunal

Sydney Metropolitan and Outer Metropolitan Bus Services

Draft Determination No. 7, 2013

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Preliminary

1 Background

1.1 Passenger Transport Act 1990 (NSW)

- (a) Under section 28J(2) of the *Passenger Transport Act 1990* (NSW) (**Passenger Transport Act**), IPART is to conduct investigations and make reports to the Minister on the determination of maximum fares for Regular Bus Services supplied under a Bus Service Contract by a Contract Holder (**Contracted Bus Services**).
- (b) In making this determination, IPART has had regard to a broad range of matters, including the matters set out in section 28J(5) of the Passenger Transport Act.

1.2 Independent Pricing and Regulatory Tribunal Act 1992 (NSW)

- (a) Section 11 of the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW) (**IPART Act**) provides IPART with a standing reference to conduct investigations and make reports to the Minister on the determination of the pricing for a government monopoly service supplied by a government agency specified in Schedule 1 of the IPART Act.
- (b) The State Transit Authority (**STA**) (but excluding any bus services provided by STA under a service contract to which section 28J of the Passenger Transport Act applies) is listed as a government agency for the purposes of Schedule 1 of the IPART Act.
- (c) The services of STA declared as government monopoly services under the *Independent Pricing and Regulatory Tribunal (Passenger Transport Services) Order 1998* (NSW) are the regular passenger services (within the meaning of the Passenger Transport Act) supplied by STA, excluding the following:
 - (1) services supplied in accordance with the ticket known as the “Sydney Pass”;
 - (2) the bus service known as the “Airport Express”;
 - (3) the bus service known as the “Sydney Explorer”, the bus service known as the “Bondi & Bay Explorer” and any other similar bus services operating in any other areas,
(STA Monopoly Services).
- (d) The STA Monopoly Services include the ferry services in Newcastle which are provided by the Newcastle Buses and Ferries division of STA (**Stockton Ferry Services**). Accordingly, IPART may determine maximum fares for the Stockton Ferry Services.

- (e) In making this determination, IPART has had regard to a broad range of matters, including the matters set out in section 15(1) of the IPART Act.

2 Application of this determination

- (a) This determination sets out the formulae to be applied to determine the maximum fares that:
 - (1) each Contract Holder may charge for Contracted Bus Services supplied under the Sydney Ticket Types and the Newcastle Ticket Types; and
 - (2) STA may charge for the Stockton Ferry Services supplied under the Newcastle Multi Modal Tickets,by fixing the maximum weighted average percentage increase across fares.
- (b) This determination commences on the later of:
 - (1) 5 January 2014; and
 - (2) the date that it is published in the NSW Government Gazette, **(2014 Commencement Date)**.
- (c) This determination applies from the 2014 Commencement Date until this determination is replaced (**Determination Period**).

3 Replacement of Determination No. 7 of 2009

This determination replaces Determination No. 7, 2009 from the 2014 Commencement Date. The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under Determination No. 7, 2009 prior to its replacement.

4 Replacement of Determination No. 8 of 2009

This determination replaces Determination No. 8, 2009 from the 2014 Commencement Date. The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under Determination No. 8, 2009 prior to its replacement.

5 Compliance with this determination

5.1 Passenger Transport Act

- (a) Under section 28J(6) of the Passenger Transport Act, a Bus Service Contract is taken to include a term (**Implied Term**) to the effect that:
- (1) the Contract Holder must not charge a passenger of the Contracted Bus Service; and
 - (2) if the Contracted Bus Service is to be provided for the Contract Holder by another person, the Contract Holder must ensure that the person providing the service for the Contract Holder does not charge a passenger of the Contracted Bus Service,

a fare that exceeds the maximum fare determined by IPART for the provision of such a service to a passenger of that kind.
- (b) Under section 28J(7) of the Passenger Transport Act, any contravention of the Implied Term by a Contract Holder may be remedied at law or in equity as though the term were an essential term to which the parties had by contract agreed.

5.2 IPART Act

Under section 18(2) of the IPART Act, STA may not fix its fares for Stockton Ferry Services supplied under the Newcastle Multi Modal Tickets at a level below the maximum price fixed in accordance with clause 3 of schedule 2 of this determination without the approval of the Treasurer.

6 Schedules

- (a) Schedule 1 sets out the formulae to be applied to determine the maximum fares that each Contract Holder may charge for Contracted Bus Services supplied under the Sydney Ticket Types.
- (b) Schedule 2 sets out the formulae to be applied to determine the maximum fares that:
 - (1) each Contract Holder may charge for Contracted Bus Services supplied under the Newcastle Ticket Types; and
 - (2) STA may charge for the Stockton Ferry Services supplied under the Newcastle Multi Modal Tickets.
- (c) Schedule 3 sets out the requirements for pricing proposals to be submitted to IPART.
- (d) Schedule 4 sets out definitions and interpretation provisions used in this determination.

Schedule 1 Maximum Fares for Sydney Ticket Types

1 Application

- (a) This schedule 1 sets out the formulae to be applied to determine the maximum Fares that each Contract Holder may charge for Contracted Bus Services supplied under the Sydney Ticket Types, by fixing the maximum weighted average percentage increase across Fares.
- (b) If a Contract Holder introduces any new Sydney Ticket Types during the Determination Period, this determination will apply to the applicable Fares in accordance with this schedule 1.
- (c) If a Contract Holder discontinues any Sydney Ticket Types during the Determination Period, this determination will apply to the remaining Fares in accordance with this schedule 1.

2 Sydney Ticket Types

Table 1 of this schedule 1 lists the Sydney Ticket Types available for sale as at the date of this determination.

3 Link Tickets

Each Contract Holder must ensure that the Fare for the Regular Bus Services component of the:

- (a) Moore Park Link Ticket does not exceed the Full Fare for a MyBus2 Single Ticket fixed in accordance with this determination; and
- (b) Bondi Beach Link Ticket does not exceed the Full Fare for a MyBus1 Single Ticket fixed in accordance with this determination.

4 Maximum Fares for Sydney Ticket Types

Each Contract Holder must ensure that its Fares for Sydney Ticket Types comply with the formulae set out below.

4.1 For the 2014 Period:

$$(1 + 0.3\% \#) \times \left(\sum_{i=1}^n P_{i2013} \times Q_{i2013} \right) \geq \left(\sum_{i=1}^n P_{i2014} \times Q_{i2013} \right)$$

[# 0.3% will be updated to include inflation prior to the release of the final determination.]

Where:

n is the number of Sydney Ticket Types.

P_{i2013} is the Full Fare specified in Table 1 for Sydney Ticket Type i .

P_{i2014} is the Full Fare that each Contract Holder charges for Sydney Ticket Type i during the 2014 Period.

Q_{i2013} is:

- (a) subject to paragraph (b) below:
- (1) where Sydney Ticket Type i is a Sydney Single Modal Ticket, the total number of Ticket Sales for that Sydney Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); and
 - (2) where Sydney Ticket Type i is a Sydney Multi Modal Ticket, 50% of the total number of Ticket Sales for that Sydney Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); or
- (b) if, during the 2014 Period, any of the following events occur:
- (1) a new Sydney Ticket Type is introduced;
 - (2) an existing Sydney Ticket Type is discontinued;
 - (3) there is a Fare increase or Fare decrease of a Substitutable Sydney Ticket;
 - (4) there is a change in conditions of travel for an existing Sydney Ticket Type; or
 - (5) there is not yet 12 months of data on Ticket Sales available for a Sydney Ticket Type,

a value approved by IPART for each Sydney Ticket Type.

[Note: For the purposes of calculating Q_{i2013} under paragraph (a) above, Ticket Validations of:

- a) Link Tickets;
- b) MyMulti2 Tickets;
- c) MyMulti3 Tickets; and
- d) MyMulti DayPass Tickets,

are to be treated as set out in IPART's Compliance Spreadsheet.]

4.2 For the 2015 Period:

$$(1 + 0.3\%) \times (1 + \Delta CPI_1) \times \left(\left(\sum_{i=1}^n P_{i2014} \times Q_{i2014} \right) + CF_{2014} \right)$$

$$\geq \left(\sum_{i=1}^n P_{i2015} \times Q_{i2014} \right)$$

Where:

n is the number of Sydney Ticket Types.

P_{i2014} is the Full Fare charged for Sydney Ticket Type i during the 2014 Period.

P_{i2015} is the Full Fare that each Contract Holder charges for Sydney Ticket Type i during the 2015 Period.

Q_{i2014} is:

- (a) subject to paragraph (b) below:
 - (1) where Sydney Ticket Type i is a Sydney Single Modal Ticket, the total number of Ticket Sales for that Sydney Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); and
 - (2) where Sydney Ticket Type i is a Sydney Multi Modal Ticket, 50% of the total number of Ticket Sales for that Sydney Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); or
- (b) if, during the 2015 Period, any of the following events occur:
 - (1) a new Sydney Ticket Type is introduced;
 - (2) an existing Sydney Ticket Type is discontinued;
 - (3) there is a Fare increase or Fare decrease of a Substitutable Sydney Ticket;
 - (4) there is a change in conditions of travel for an existing Sydney Ticket Type; or
 - (5) there is not yet 12 months of data on Ticket Sales available for a Sydney Ticket Type,

a value approved by IPART for each Sydney Ticket Type.

[**Note:** For the purposes of calculating Q_{i2014} under paragraph (a) above, Ticket Validations of:

- a) Link Tickets;
- b) MyMulti2 Tickets;
- c) MyMulti3 Tickets; and
- d) MyMulti DayPass Tickets,

are to be treated as set out in IPART's Compliance Spreadsheet.]

ΔCPI_1 has the meaning given to that term in clause 1.2 of schedule 4 of this determination.

CF_{2014} is the 2014 Catch-up Factor, which:

- (a) is calculated as the Allowed Fare Revenue minus the Proposed Fare Revenue, where:

Allowed Fare Revenue is $(1 + 0.3\% \#) \times (\sum_{i=1}^n P_{i2013} \times Q_{i2013})$

[# 0.3% will be updated to include inflation prior to the release of the final determination.]

Proposed Fare Revenue is $(\sum_{i=1}^n P_{i2014} \times Q_{i2013})$

n, **P_{i2013}**, **P_{i2014}** and **Q_{i2013}** have the meaning given to those terms in clause 4.1 above; and

(b) must be equal to or greater than 0.

4.3 For the 2016 Period:

$$(1 + 0.3\%) \times (1 + \Delta CPI_2) \times \left(\left(\sum_{i=1}^n P_{i2015} \times Q_{i2015} \right) + CF_{2015} \right) \\ \geq \left(\sum_{i=1}^n P_{i2016} \times Q_{i2015} \right)$$

Where:

n is the number of Sydney Ticket Types.

P_{i2015} is the Full Fare charged for Sydney Ticket Type i during the 2015 Period.

P_{i2016} is the Full Fare that each Contract Holder charges for Sydney Ticket Type i during the 2016 Period.

Q_{i2015} is:

- (a) subject to paragraph (b) below:
 - (1) where Sydney Ticket Type i is a Sydney Single Modal Ticket, the total number of Ticket Sales for that Sydney Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); and
 - (2) where Sydney Ticket Type i is a Sydney Multi Modal Ticket, 50% of the total number of Ticket Sales for that Sydney Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); or
- (b) if, during the 2016 Period, any of the following events occur:
 - (1) a new Sydney Ticket Type is introduced;
 - (2) an existing Sydney Ticket Type is discontinued;
 - (3) there is a Fare increase or Fare decrease of a Substitutable Sydney Ticket;

- (4) there is a change in conditions of travel for an existing Sydney Ticket Type; or
 - (5) there is not yet 12 months of data on Ticket Sales available for a Sydney Ticket Type,
- a value approved by IPART for each Sydney Ticket Type.

[Note: For the purposes of calculating Q_{i2015} under paragraph (a) above, Ticket Validations of:

- a) Link Tickets;
- b) MyMulti2 Tickets;
- c) MyMulti3 Tickets; and
- d) MyMulti DayPass Tickets,

are to be treated as set out in IPART's Compliance Spreadsheet.]

ΔCPI_2 has the meaning given to that term in clause 1.2 of schedule 4 of this determination.

CF_{2015} is the 2015 Catch-up Factor, which:

- (a) is calculated as the Allowed Fare Revenue minus the Proposed Fare Revenue, where:

Allowed Fare Revenue is:

$$(1 + 0.3\%) \times (1 + \Delta CPI_1) \times \left(\left(\sum_{i=1}^n P_{i2014} \times Q_{i2014} \right) + CF_{2014} \right)$$

Proposed Fare Revenue is $(\sum_{i=1}^n P_{i2015} \times Q_{i2014})$

ΔCPI_1 , n , P_{i2014} , P_{i2015} , Q_{i2014} and CF_{2014} have the meaning given to those terms in clause 4.2 above; and

- (b) must be equal to or greater than 0.

4.4 For the 2017 Period:

$$(1 + 0.3\%) \times (1 + \Delta CPI_3) \times \left(\left(\sum_{i=1}^n P_{i2016} \times Q_{i2016} \right) + CF_{2016} \right)$$

$$\geq \left(\sum_{i=1}^n P_{i2017} \times Q_{i2016} \right)$$

Where:

n is the number of Sydney Ticket Types.

P_{i2016} is the Full Fare charged for Sydney Ticket Type i during the 2016 Period.

P_{i2017} is the Full Fare that each Contract Holder charges for Sydney Ticket Type i during the 2017 Period.

Q_{i2016} is:

- (a) subject to paragraph (b) below:
- (1) where Sydney Ticket Type i is a Sydney Single Modal Ticket, the total number of Ticket Sales for that Sydney Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); and
 - (2) where Sydney Ticket Type i is a Sydney Multi Modal Ticket, 50% of the total number of Ticket Sales for that Sydney Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); or
- (b) if, during the 2017 Period, any of the following events occur:
- (1) a new Sydney Ticket Type is introduced;
 - (2) an existing Sydney Ticket Type is discontinued;
 - (3) there is a Fare increase or Fare decrease of a Substitutable Sydney Ticket;
 - (4) there is a change in conditions of travel for an existing Sydney Ticket Type; or
 - (5) there is not yet 12 months of data on Ticket Sales available for a Sydney Ticket Type,

a value approved by IPART for each Sydney Ticket Type.

[Note: For the purposes of calculating Q_{i2016} under paragraph (a) above, Ticket Validations of:

- a) Link Tickets;
- b) MyMulti2 Tickets;
- c) MyMulti3 Tickets; and
- d) MyMulti DayPass Tickets,

are to be treated as set out in IPART's Compliance Spreadsheet.]

ΔCPI_3 has the meaning given to that term in clause 1.2 of schedule 4 of this determination.

CF_{2016} is the 2016 Catch-up Factor, which:

- (a) is calculated as the Allowed Fare Revenue minus the Proposed Fare Revenue, where:

Allowed Fare Revenue is $(1 + 0.3\%) \times (1 + \Delta CPI_2) \times ((\sum_{i=1}^n P_{i2015} \times Q_{i2015}) + CF_{2015})$

Proposed Fare Revenue is $(\sum_{i=1}^n P_{i2016} \times Q_{i2015})$

ΔCPI_2 , n , P_{i2015} , P_{i2016} , Q_{i2015} and CF_{2015} have the meaning given to those terms in clause 4.3 above; and

(b) must be equal to or greater than 0.

5 Worked example

Assume for the purposes of this worked example only that:

- ▼ a Contract Holder has 3 Fares; and
- ▼ the allowed Fare increase between 2013 and 2014 is 2.8%.¹

(a) Full Fares for 2013 and 2014 are as follows:

Ticket Type	2013	2014
	Full Fare (P _{i2013})	Full Fare (P _{i2014})
MyBus1 Single Ticket	\$2.20	\$2.20
MyBus2 Single Ticket	\$3.60	\$3.80
MyBus1 TravelTen	\$17.60	\$17.80

(b) number of Ticket Sales are as follows:

Ticket Type	Number of Ticket Sales
	1 July 2012 - 30 June 2013 (Q _{i2013})
MyBus1 Single Ticket	100
MyBus2 Single Ticket	70
MyBus1 TravelTen	15

To determine whether the Fares for the 2014 Period comply with clause 4.1, schedule 1 of the determination, the following must be calculated:

(1) Allowed Fare Revenue

Ticket Type	Full Fare (P _{i2013})	Number of Ticket Sales (Q _{i2013})	Revenue
	a	b	a * b
MyBus1 Single Ticket	\$2.20	100	\$2.20*100 = \$220
MyBus2 Single Ticket	\$3.60	70	\$3.60*70 = \$252
MyBus1 TravelTen	\$17.60	15	\$17.60*15 = \$264
Total revenue			\$736

For a weighted average increase in the 2014 Period of 2.8%, the Allowed Fare Revenue in the 2014 Period will be $\$736 \times (1+2.8\%) = \756.61 .

¹ 0.3% real increase and inflation of 2.5%.

(2) Proposed Fare Revenue

Ticket Type	Full Fare (P_{i2014})	Number of Ticket Sales (Q_{i2013})	Revenue
	a	b	a* b
MyBus1 Single Ticket	\$2.20	100	\$2.20*100 = \$220
MyBus2 Single Ticket	\$3.80	70	\$3.80*70 = \$266
MyBus1 TravelTen	\$17.80	15	\$17.80*15 = \$267
Total revenue			\$753

The Fares for the 2014 Period comply with clause 4.1, schedule 1 of the determination. The proposed fares for the 2014 Period in the table above would comply with the maximum weighted average fare increase because the Proposed Fare Revenue is less than the Allowed Fare Revenue - \$753 is less than \$756.61.

Table 1

Table 1 2013 Full Fares for Sydney Ticket Types (P_{i2013})

Sydney Ticket Type	2013 Full Fare
MyBus1 Single Ticket	\$2.20
MyBus2 Single Ticket	\$3.60
MyBus3 Single Ticket	\$4.60
MyBus1 TravelTen Ticket	\$17.60
MyBus2 TravelTen Ticket	\$28.80
MyBus3 TravelTen Ticket	\$36.80
Special Event Bus Single Ticket	\$3.50
Special Event Bus Return Ticket	\$6.00
School Term Pass	\$50.00
MyMulti1 Ticket (Weekly)	\$44.00
MyMulti1 Ticket (Monthly)	\$168.00
MyMulti1 Ticket (Quarterly)	\$463.00
MyMulti1 Ticket (Annual)	\$1,672.00

Schedule 2 Maximum Fares for Newcastle Ticket Types

1 Application

- (a) This schedule 2 sets out the formulae to be applied to determine the maximum Fares that:
- (1) each Contract Holder may charge for Contracted Bus Services supplied under the Newcastle Ticket Types; and
 - (2) STA may charge for the Stockton Ferry Services supplied under the Newcastle Multi Modal Tickets,
- by fixing the maximum weighted average percentage increase across Fares.
- (b) If a Contract Holder or STA introduces any new Newcastle Ticket Types during the Determination Period, this determination will apply to the applicable Fares in accordance with this schedule 2.
- (c) If a Contract Holder or STA discontinues any Newcastle Ticket Types during the Determination Period, this determination will apply to the remaining Fares in accordance with this schedule 2.

2 Newcastle Ticket Types

Table 2 of this schedule 2 lists the Newcastle Ticket Types available for sale as at the date of this determination.

3 Maximum Fares for Newcastle Ticket Types

Each Contract Holder and STA must ensure that its Fares for Newcastle Ticket Types comply with the formulae set out below.

3.1 For the 2014 Period:

$$(1 + 0.3\% \#) \times \left(\sum_{i=1}^n P_{i2013} \times Q_{i2013} \right) \geq \left(\sum_{i=1}^n P_{i2014} \times Q_{i2013} \right)$$

[# 0.3% will be updated to include inflation prior to the release of the final determination.]

Where:

n is the number of Newcastle Ticket Types.

P_{i2013} is the Full Fare specified in Table 2 for Newcastle Ticket Type i.

P_{i2014} is the Full Fare that each Contract Holder and STA charge for Newcastle Ticket Type i during the 2014 Period.

Q_{i2013} is:

- (a) subject to paragraph (b) below:
- (1) where Newcastle Ticket Type i is a Newcastle Single Modal Ticket, the total number of Ticket Sales for that Newcastle Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); and
 - (2) where Newcastle Ticket Type i is a Newcastle Multi Modal Ticket, 50% of the total number of Ticket Sales for that Newcastle Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); or
- (b) if, during the 2014 Period, any of the following events occur:
- (1) a new Newcastle Ticket Type is introduced;
 - (2) an existing Newcastle Ticket Type is discontinued;
 - (3) there is a Fare increase or Fare decrease of a Substitutable Newcastle Ticket;
 - (4) there is a change in conditions of travel for an existing Newcastle Ticket Type; or
 - (5) there is not yet 12 months of data on Ticket Sales available for a Newcastle Ticket Type,

a value approved by IPART for each Newcastle Ticket Type.

3.2 For the 2015 Period:

$$(1 + 0.3\%) \times (1 + \Delta CPI_1) \times \left(\left(\sum_{i=1}^n P_{i2014} \times Q_{i2014} \right) + CF_{2014} \right) \\ \geq \left(\sum_{i=1}^n P_{i2015} \times Q_{i2014} \right)$$

Where:

n is the number of Newcastle Ticket Types.

P_{i2014} is the Full Fare charged for Newcastle Ticket Type i during the 2014 Period.

P_{i2015} is the Full Fare that each Contract Holder and STA charge for Newcastle Ticket Type i during the 2015 Period.

Q_{i2014} is:

- (a) subject to paragraph (b) below:
- (1) where Newcastle Ticket Type i is a Newcastle Single Modal Ticket, the total number of Ticket Sales for that Newcastle Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); and
 - (2) where Newcastle Ticket Type i is a Newcastle Multi Modal Ticket, 50% of the total number of Ticket Sales for that Newcastle Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); or
- (b) if, during the 2015 Period, any of the following events occur:
- (1) a new Newcastle Ticket Type is introduced;
 - (2) an existing Newcastle Ticket Type is discontinued;
 - (3) there is a Fare increase or Fare decrease of a Substitutable Newcastle Ticket;
 - (4) there is a change in conditions of travel for an existing Newcastle Ticket Type; or
 - (5) there is not yet 12 months of data on Ticket Sales available for a Newcastle Ticket Type,

a value approved by IPART for each Newcastle Ticket Type.

ΔCPI_1 has the meaning given to that term in clause 1.2 of schedule 4 of this determination.

CF_{2014} is the 2014 Catch-up Factor, which:

- (a) is calculated as the Allowed Fare Revenue minus the Proposed Fare Revenue, where:

Allowed Fare Revenue is $(1 + 0.3\% \#) \times (\sum_{i=1}^n P_{i2013} \times Q_{i2013})$

[# 0.3% will be updated to include inflation prior to the release of the final determination.]

Proposed Fare Revenue is $(\sum_{i=1}^n P_{i2014} \times Q_{i2013})$

n , P_{i2013} , P_{i2014} and Q_{i2013} have the meaning given to those terms in clause 3.1 above; and

- (b) must be equal to or greater than 0.

3.3 For the 2016 Period:

$$(1 + 0.3\%) \times (1 + \Delta CPI_2) \times \left(\left(\sum_{i=1}^n P_{i2015} \times Q_{i2015} \right) + CF_{2015} \right)$$

$$\geq \left(\sum_{i=1}^n P_{i2016} \times Q_{i2015} \right)$$

Where:

n is the number of Newcastle Ticket Types.

P_{i2015} is the Full Fare charged for Newcastle Ticket Type *i* during the 2015 Period.

P_{i2016} is the Full Fare that each Contract Holder and STA charge for Newcastle Ticket Type *i* during the 2016 Period.

Q_{i2015} is:

- (a) subject to paragraph (b) below:
 - (1) where Newcastle Ticket Type *i* is a Newcastle Single Modal Ticket, the total number of Ticket Sales for that Newcastle Ticket Type *i* during the most recent 12 month period (or for such other period as is approved by IPART); and
 - (2) where Newcastle Ticket Type *i* is a Newcastle Multi Modal Ticket, 50% of the total number of Ticket Sales for that Newcastle Ticket Type *i* during the most recent 12 month period (or for such other period as is approved by IPART); or
- (b) if, during the 2016 Period, any of the following events occur:
 - (1) a new Newcastle Ticket Type is introduced;
 - (2) an existing Newcastle Ticket Type is discontinued;
 - (3) there is a Fare increase or Fare decrease of a Substitutable Newcastle Ticket;
 - (4) there is a change in conditions of travel for an existing Newcastle Ticket Type; or
 - (5) there is not yet 12 months of data on Ticket Sales available for a Newcastle Ticket Type,

a value approved by IPART for each Newcastle Ticket Type.

ΔCPI₂ has the meaning given to that term in clause 1.2 of schedule 4 of this determination.

CF₂₀₁₅ is the 2015 Catch-up Factor, which:

- (a) is calculated as the Allowed Fare Revenue minus the Proposed Fare Revenue, where:

Allowed Fare Revenue is

$$(1 + 0.3\%) \times (1 + \Delta CPI_1) \times \left(\sum_{i=1}^n P_{i2014} \times Q_{i2014} \right) + CF_{2014}$$

Proposed Fare Revenue is $\left(\sum_{i=1}^n P_{i2015} \times Q_{i2014} \right)$

ΔCPI_1 , n , P_{i2014} , P_{i2015} , Q_{i2014} and CF_{2014} have the meaning given to those terms in clause 3.2 above; and

(b) must be equal to or greater than 0.

3.4 For the 2017 Period:

$$(1 + 0.3\%) \times (1 + \Delta CPI_3) \times \left(\left(\sum_{i=1}^n P_{i2016} \times Q_{i2016} \right) + CF_{2016} \right) \\ \geq \left(\sum_{i=1}^n P_{i2017} \times Q_{i2016} \right)$$

Where:

n is the number of Newcastle Ticket Types.

P_{i2016} is the Full Fare charged for Newcastle Ticket Type i during the 2016 Period.

P_{i2017} is the Full Fare that each Contract Holder and STA charge for Newcastle Ticket Type i during the 2017 Period.

Q_{i2016} is:

- (a) subject to paragraph (b) below:
 - (1) where Newcastle Ticket Type i is a Newcastle Single Modal Ticket, the total number of Ticket Sales for that Newcastle Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); and
 - (2) where Newcastle Ticket Type i is a Newcastle Multi Modal Ticket, 50% of the total number of Ticket Sales for that Newcastle Ticket Type i during the most recent 12 month period (or for such other period as is approved by IPART); or
- (b) if, during the 2017 Period, any of the following events occur:
 - (1) a new Newcastle Ticket Type is introduced;
 - (2) an existing Newcastle Ticket Type is discontinued;
 - (3) there is a Fare increase or Fare decrease of a Substitutable Newcastle Ticket;

- (4) there is a change in conditions of travel for an existing Newcastle Ticket Type; or
- (5) there is not yet 12 months of data on Ticket Sales available for a Newcastle Ticket Type,

a value approved by IPART for each Newcastle Ticket Type.

ΔCPI_3 has the meaning given to that term in clause 1.2 of schedule 4 of this determination.

CF_{2016} is the 2016 Catch-up Factor, which:

- (a) is calculated as the Allowed Fare Revenue minus the Proposed Fare Revenue, where:

Allowed Fare Revenue is:

$$(1 + 0.3\%) \times (1 + \Delta CPI_2) \times ((\sum_{i=1}^n P_{i2015} \times Q_{i2015}) + CF_{2015})$$

Proposed Fare Revenue is $(\sum_{i=1}^n P_{i2016} \times Q_{i2015})$

ΔCPI_2 , n , P_{i2015} , P_{i2016} , Q_{i2015} and CF_{2015} have the meaning given to those terms in clause 3.3 above; and

- (b) must be equal to or greater than 0.

4 Worked example

Assume for the purposes of this worked example only that:

- ▼ a Contract Holder has 3 Fares; and
- ▼ the allowed Fare increase between 2013 and 2014 is 2.8%.²

- (a) Full Fares for 2013 and 2014 are as follows:

Ticket Type	2013	2014
	Full Fare (P_{i2013})	Full Fare (P_{i2014})
Time Based Ticket (1 hour)	\$3.60	\$3.80
TimeTen Multi Ride Ticket	\$29.00	\$30.00
Newcastle Orange TravelPass Ticket (Weekly)	\$38.00	\$40.00

² 0.3% real increase and inflation of 2.5%.

(b) number of Ticket Sales are as follows:

Ticket Type	Number of Ticket Sales 1 July 2012 - 30 June 2013 (Q₂₀₁₃)
Time Based Ticket (1 hour)	100
TimeTen Multi Ride Ticket	70
Newcastle Orange TravelPass Ticket (Weekly)	15

To determine whether the Fares for the 2014 Period comply with clause 3.1, schedule 2 of the determination, the following must be calculated:

(1) Allowed Fare Revenue

Ticket Type	Full Fare (P₂₀₁₃) a	Number of Ticket Sales (Q₂₀₁₃) b	Revenue a * b
Time Based Ticket (1 hour)	\$3.60	100	\$3.60*100 = \$360
TimeTen Multi Ride Ticket	\$29.00	70	\$29.00*70 = \$2030
Newcastle Orange TravelPass Ticket (Weekly)	\$38.00	15	\$38.00*15 = \$570
Total revenue			\$2960

For a weighted average increase in the 2014 Period of 2.8%, the Allowed Fare Revenue in the 2014 Period will be \$2960 x (1+2.8%) = \$3042.88.

(2) Proposed Fare Revenue

Ticket Type	Full Fare (P₂₀₁₄) a	Number of Ticket Sales (Q₂₀₁₃) b	Revenue a * b
Time Based Ticket (1 hour)	\$3.80	100	\$3.80*100 = \$380
TimeTen Multi Ride Ticket	\$30.00	70	\$30.00*70 = \$2100
Newcastle Orange TravelPass Ticket (Weekly)	\$40.00	15	\$40.00*15 = \$600
Total revenue			\$3080

The Fares for the 2014 Period do not comply with clause 3.1, schedule 2 of the determination. The proposed fares for the 2014 Period in the table above would not comply with the maximum weighted average fare increase because the Proposed Fare Revenue is more than the Allowed Fare Revenue - \$3080 is more than \$3042.88.

Table 2

Table 2 2013 Full Fares for Newcastle Ticket Types (P₂₀₁₃)

Newcastle Ticket Type	2013 Full Fare
TimeTen Multi Ride Ticket	\$29.00
Time Based Ticket (1 hour)	\$3.60
Time Based Ticket (4 hour)	\$7.00
Time Based Ticket (23 hour)	\$10.60
Newcastle Orange TravelPass Ticket (Weekly)	\$38.00
Newcastle Orange TravelPass Ticket (Quarterly)	\$416.00
Newcastle Orange TravelPass Ticket (Yearly)	\$1513.00

Schedule 3 Pricing proposal

1 Requirement to submit pricing proposal for Contracted Bus Services

(a) If Transport for NSW requires a Contract Holder to, or approves a proposal by a Contract Holder to:

- (1) increase a Fare;
- (2) change the conditions of travel for an existing Ticket Type;
- (3) introduce one or more new Ticket Types; or
- (4) discontinue one or more existing Ticket Types,

(each a **Proposed Fare Change Event**), the Contract Holder with the prior written approval of Transport for NSW (or Transport for NSW on behalf of the Contract Holder) must submit to IPART, in accordance with this clause 1, a pricing proposal at least 20 Business Days before the Proposed Fare Change Event takes place (or by such later date as is agreed by IPART).

(b) The Contract Holder (or Transport for NSW on behalf of the Contract Holder) is not required to submit a pricing proposal if Transport for NSW:

- (1) requires the Contract Holder; or
- (2) approves a proposal by the Contract Holder, only to reduce an existing Fare.

(c) Each pricing proposal submitted under clause 1(a) must contain the following information:

- (1) all proposed Fares and Ticket Types;
- (2) details of the Ticket Sales for the most recent 12 month period (or such other period approved by IPART) for each Ticket Type;
- (3) the information required in IPART's Compliance Spreadsheet (as published on its website and updated from time to time);
- (4) if a new Ticket Type is to be introduced:
 - (A) details of that proposed new Ticket Type and Fare, including:
 - (i) if the Fare is distance-based, zone-based, or time-based;
 - (ii) the number of journeys included (or, if a time-based Fare, the estimated average number of journeys likely to be taken by passengers on that Fare, and the period for which it is valid); and
 - (iii) any other conditions of travel;

- (B) how the change is expected to impact sales of other Ticket Types; and
- (C) the expected revenue impact of the change;
- (5) if a Ticket Type is to be discontinued:
 - (A) details of the Ticket Type to be discontinued;
 - (B) how the change is expected to impact sales of other Ticket Types; and
 - (C) the expected revenue impact of the change; and
- (6) any other information IPART requires to satisfy itself that the proposed Fares comply with this determination.

2 Requirement to submit pricing proposal for Stockton Ferry Services supplied under the Newcastle Multi Modal Tickets

- (a) If STA proposes to, or Transport for NSW requires STA to:
 - (1) increase a Fare for Stockton Ferry Services supplied under a Newcastle Multi Modal Ticket; or
 - (2) change the conditions of travel for Stockton Ferry Services under an existing Newcastle Multi Modal Ticket,

(each a **Proposed Stockton Ferry Fare Change Event**), STA with the prior written approval of Transport for NSW (or Transport for NSW on behalf of STA) must submit to IPART, in accordance with this clause 2, a pricing proposal at least 20 Business Days before the Proposed Stockton Ferry Fare Change Event takes place (or by such later date as is agreed by IPART).
- (b) STA (or Transport for NSW on behalf of STA) is not required to submit a pricing proposal if STA (or Transport for NSW on behalf of STA) is proposing only to reduce an existing Fare for Stockton Ferry Services supplied under a Newcastle Multi Modal Ticket.
- (c) Each pricing proposal submitted under clause 2(a) must contain the following information:
 - (1) all proposed Fares for Stockton Ferry Services supplied under Newcastle Multi Modal Tickets;
 - (2) details of the Ticket Sales for the most recent 12 month period (or such other period approved by IPART) for each Newcastle Multi Modal Ticket;
 - (3) the information required in IPART's Compliance Spreadsheet (as published on its website and updated from time to time);
 - (4) if a new Newcastle Multi Modal Ticket is to be introduced:

- (A) details of that proposed new Newcastle Multi Modal Ticket and Fare, including:
 - (i) if the Fare is distance-based, zone-based, or time-based;
 - (ii) the number of journeys included (or, if a time-based Fare, the estimated average number of journeys likely to be taken by passengers on that Fare, and the period for which it is valid); and
 - (iii) any other conditions of travel;
- (B) how the change is expected to impact sales of other Newcastle Ticket Types; and
- (C) the expected revenue impact of the change;
- (5) if a Newcastle Multi Modal Ticket is to be discontinued:
 - (A) details of the Newcastle Multi Modal Ticket to be discontinued;
 - (B) how the change is expected to impact sales of other Newcastle Ticket Types; and
 - (C) the expected revenue impact of the change; and
- (6) any other information IPART requires to satisfy itself that the proposed Fares comply with this determination.

3 Publication of pricing proposal

IPART may publish a pricing proposal submitted under clauses 1 and 2 on its website.

4 IPART assessment of pricing proposal

- (a) IPART will notify the Contract Holder or Transport for NSW, if it forms the view that the pricing proposal submitted by the Contract Holder or Transport for NSW under clause 1(a) would, if implemented, result in the Contract Holder charging passengers Fares that exceed the maximum Fares that may be charged under this determination.
- (b) IPART will notify STA or Transport for NSW if it forms the view that the pricing proposal submitted by STA or Transport for NSW under clause 2(a) would, if implemented, result in STA charging passengers Fares that exceed the maximum Fares that may be charged under this determination.
- (c) IPART may publish a notice given under this clause 4 on its website.

Schedule 4 Definitions and interpretation

1 Definitions

1.1 General definitions

2014 Commencement Date means the 2014 Commencement Date as defined in clause 2(b) of the Preliminary section of this determination.

2015 Commencement Date means 4 January 2015 or such other date as is specified by IPART.

2016 Commencement Date means 3 January 2016 or such other date as is specified by IPART.

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

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.

Adult means a person who is aged 16 years or over and is not entitled to a concession fare.

Bondi Beach Link Ticket means the Bondi Beach Link Ticket as described on the website www.131500.com.au (as updated from time to time).

Bus Service Contract means a contract:

- (a) between a Contract Holder and Transport for NSW under Division 3 of Part 3 of the Passenger Transport Act for the provision of a Regular Bus Service; and

- (b) which authorises or otherwise permits the Contract Holder to charge passengers of the Regular Bus Service a fare for the use of the Regular Bus Service.

Business Day means a day other than a Saturday, a Sunday or a public holiday or bank holiday in all of New South Wales.

Compliance Spreadsheet means the compliance spreadsheet relating to transport services, published on IPART's website and updated from time to time.

Contract Holder means a party to a Bus Service Contract under which that party provides Contracted Bus Services.

Contract Region Map means the map attached as Appendix A to this determination.

Contracted Bus Services means the Contracted Bus Services defined in clause 1.1(a) of the Preliminary section of this determination.

Determination No. 7, 2009 means IPART's Determination No. 7, 2009 entitled "Sydney Metropolitan and Outer Metropolitan Bus Services (other than TravelPass Services)".

Determination No. 8, 2009 means IPART's Determination No. 8, 2009 entitled "TravelPass Services - Sydney Buses, Newcastle Buses and Sydney Ferries".

Determination Period means the Determination Period defined in clause 2(c) of the Preliminary section of this determination.

Fare means a fare payable by any passenger (Adult or concession) for services supplied under a Sydney Ticket Type or a Newcastle Ticket Type.

Full Fare means a fare payable by an Adult for services supplied under a Sydney Ticket Type or a Newcastle Ticket Type.

GST has the meaning given to that term 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* (NSW).

Link Tickets are tickets for travel partly by means of the Regular Bus Services and partly by other means of transport that are not Regular Bus Services (including by train or ferry), that include but are not limited to:

- (a) the Moore Park Link Ticket; and
- (b) the Bondi Beach Link Ticket.

Metropolitan Bus Services Contract Region means a region specified on the Contract Region Map as a “Metro Bus Contracts” region.

Moore Park Link Ticket means the Moore Park Link Ticket as described on the website www.131500.com.au (as updated from time to time).

MyBus1 Single Ticket means a ticket for a single journey on a Contracted Bus Service which is valid for 1 to 2 Sections.

MyBus2 Single Ticket means a ticket for a single journey on a Contracted Bus Service which is valid for 3 to 5 Sections.

MyBus3 Single Ticket means a ticket for a single journey on a Contracted Bus Service which is valid for 6 or more Sections.

MyBus1 TravelTen Ticket means a ticket for 10 journeys on a Contracted Bus Service which is valid for 1 to 2 Sections for each journey.

MyBus2 TravelTen Ticket means a ticket for 10 journeys on a Contracted Bus Service which is valid for 3 to 5 Sections for each journey.

MyBus3 TravelTen Ticket means a ticket for 10 journeys on a Contracted Bus Service which is valid for 6 or more Sections for each journey.

MyMulti DayPass Ticket means the MyMulti DayPass Ticket as described in the *Sydney Trains and NSW Trains Fares and Ticketing Customer Handbook* (as updated from time to time) available on the website: www.cityrail.nsw.gov.au.

MyMulti1 Ticket means any of the following tickets:

- (a) MyMulti1 Weekly;
- (b) MyMulti1 Monthly;
- (c) MyMulti1 Quarterly; and
- (d) MyMulti1 Yearly,

each as described in the *Sydney Trains and NSW Trains Fares and Ticketing Customer Handbook* (as updated from time to time) available on the website: www.cityrail.nsw.gov.au.

MyMulti2 Ticket means any of the following tickets:

- (a) MyMulti2 Weekly;
- (b) MyMulti2 Monthly;
- (c) MyMulti2 Quarterly; and
- (d) MyMulti2 Yearly,

each as described in the *Sydney Trains and NSW Trains Fares and Ticketing Customer Handbook* (as updated from time to time) available on the website: www.cityrail.nsw.gov.au.

MyMulti3 Ticket means any of the following tickets:

- (a) MyMulti3 Weekly;
- (b) MyMulti3 Monthly;
- (c) MyMulti3 Quarterly; and
- (d) MyMulti3 Yearly,

each as described in the *Sydney Trains and NSW Trains Fares and Ticketing Customer Handbook* (as updated from time to time) available on the website: www.cityrail.nsw.gov.au.

Newcastle Multi Modal Ticket means any of the following tickets:

- (a) Newcastle Orange TravelPass Ticket;
- (b) Time Based Ticket (23 hour); and
- (c) any new ticket which:
 - (1) is introduced during the Determination Period;
 - (2) entitles a customer to travel by means of the Regular Bus Services within Outer Metropolitan Bus Services Contract Region 5 and by means of the Stockton Ferry Services; and
 - (3) is determined by IPART to be a Newcastle Multi Modal Ticket,

but does not include:

- (a) tickets for Trial Fares;
- (b) the ticket known as "Pensioner Excursion Ticket";
- (c) the ticket known as "Family Funday Sunday";
- (d) MyMulti1 Tickets;
- (e) MyMulti2 Tickets;
- (f) MyMulti3 Tickets; and
- (g) MyMulti DayPass Tickets.

Newcastle Orange TravelPass Ticket means a ticket permitting:

- (a) unlimited travel on the Contracted Bus Services within Outer Metropolitan Bus Services Contract Region 5; and
- (b) unlimited travel on the Stockton Ferry Services,

for the period specified on the ticket.

Newcastle Single Modal Ticket means any of the following tickets:

- (a) TimeTen Multi Ride Ticket;
- (b) Time Based Ticket (1 hour);
- (c) Time Based Ticket (4 hour); and
- (d) any new ticket which:
 - (1) is introduced during the Determination Period;
 - (2) entitles a customer to travel on the Regular Bus Services within Outer Metropolitan Bus Services Contract Region 5; and
 - (3) is determined by IPART to be a Newcastle Single Modal Ticket.

Newcastle Ticket Type means any ticket made available for sale (including a ticket using smart card or magnetic strip technology) which entitles a customer to travel on:

- (a) Contracted Bus Services; or
- (b) Contracted Bus Services and the Stockton Ferry Services,

within Outer Metropolitan Bus Services Contract Region 5, but does not include:

- (a) tickets for Trial Fares;
- (b) the ticket known as "Pensioner Excursion Ticket";
- (c) the ticket known as "Family Funday Sunday";
- (d) MyMulti1 Tickets;
- (e) MyMulti2 Tickets;
- (f) MyMulti3 Tickets; and
- (g) MyMulti DayPass Tickets.

Outer Metropolitan Bus Services Contract Region means a region specified on the Contract Region Map as an "Outer Metro Bus Contracts" region.

Outer Metropolitan Bus Services Contract Region 5 means the region specified on the Contract Region Map as "Outer Metro Bus Contracts" region 5 (Newcastle).

Passenger Transport Act means the *Passenger Transport Act 1990* (NSW).

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

School Term Pass means the School Term Pass as described on the website <http://www.sydneybuses.info/> (as updated from time to time).

Section means a distance of approximately 1.6 kilometres into which a bus route is divided for ticketing purposes.

Special Event Bus Return Ticket means the Special Event Bus Return Ticket as described on the website <http://www.131500.com.au> (as updated from time to time).

Special Event Bus Single Ticket means the Special Event Bus Single Ticket as described on the website <http://www.131500.com.au> (as updated from time to time).

STA means the State Transit Authority of New South Wales constituted under the *Transport Administration Act 1988* (NSW).

STA Monopoly Services has the meaning given to that term in clause 1.2(c) of the Preliminary section of this determination.

Stockton Ferry Services means the Stockton Ferry Services defined in clause 1.2(d) of the Preliminary section of this determination.

Substitutable Newcastle Ticket means a ticket for services supplied under a:

- (a) Newcastle Single Modal Ticket for which there is an alternative ticket for that same service; or
- (b) Newcastle Multi Modal Ticket for which there is an alternative ticket for the same services covered by that ticket.

Substitutable Sydney Ticket means a ticket for services supplied under a:

- (a) Sydney Single Modal Ticket for which there is an alternative ticket for that same service; or
- (b) Sydney Multi Modal Ticket for which there is an alternative ticket for the same services covered by that ticket.

Sydney Multi Modal Ticket means:

- (a) any of the MyMulti1 Tickets; and
- (b) any new ticket which:
 - (1) is introduced during the Determination Period;

- (2) entitles a customer to travel by means of the Regular Bus Services within the Metropolitan Bus Services Contract Regions and Outer Metropolitan Bus Services Contract Regions and by means of transport that are not Regular Bus Services (including by train or ferry); and
- (3) is determined by IPART to be a Sydney Multi Modal Ticket,

but does not include:

- (a) the Newcastle Ticket Types;
- (b) tickets for Trial Fares;
- (c) the ticket known as "Pensioner Excursion Ticket";
- (d) the ticket known as "Family Funday Sunday";
- (e) MyMulti2 Tickets;
- (f) MyMulti3 Tickets;
- (g) MyMulti DayPass Tickets; and
- (h) Link Tickets.

Sydney Single Modal Ticket means any of the following tickets:

- (a) MyBus1 Single Ticket;
- (b) MyBus2 Single Ticket;
- (c) MyBus3 Single Ticket;
- (d) MyBus1 TravelTen Ticket;
- (e) MyBus2 TravelTen Ticket;
- (f) MyBus3 TravelTen Ticket;
- (g) Special Event Bus Single Ticket;
- (h) Special Event Bus Return Ticket;
- (i) School Term Pass; and
- (j) any new ticket which:
 - (1) is introduced during the Determination Period;
 - (2) entitles a customer to travel on the Regular Bus Services within the Metropolitan Bus Services Contract Regions and Outer Metropolitan Bus Services Contract Regions; and
 - (3) is determined by IPART to be a Sydney Single Modal Ticket.

Sydney Ticket Type means any ticket made available for sale (including a ticket using smart card or magnetic strip technology) which entitles a customer to travel on Contracted Bus Services within the Metropolitan and Outer Metropolitan Bus Services Contract Regions, but does not include:

- (a) the Newcastle Ticket Types;
- (b) tickets for Trial Fares;
- (c) the ticket known as “Pensioner Excursion Ticket”;
- (d) the ticket known as “Family Funday Sunday”;
- (e) MyMulti2 Tickets;
- (f) MyMulti3 Tickets;
- (g) MyMulti DayPass Tickets; and
- (h) Link Tickets.

Ticket Sale means, in the case of a paper or electronic:

- (a) Sydney Single Modal Ticket, a Ticket Validation converted to a Ticket Sale in accordance with IPART’s Compliance Spreadsheet;
- (b) Sydney Multi Modal Ticket, the sale of a Sydney Multi Modal Ticket through any vendor;
- (c) Newcastle Single Modal Ticket, the sale of a Newcastle Single Modal Ticket through any vendor; and
- (d) Newcastle Multi Modal Ticket, the sale of a Newcastle Multi Modal Ticket through any vendor.

Ticket Type means a Sydney Ticket Type or a Newcastle Ticket Type (including a ticket using smart card or magnetic strip technology) made available for sale to Adult and concession passengers. For the avoidance of doubt, a Ticket Type that is made available to both Adult and concession passengers will be taken to be one Ticket Type.

Ticket Validation means a validation of a ticket for one journey on an STA Monopoly Service or a Contracted Bus Service through a validation system which records boardings and/or alightings of passengers.

Time Based Ticket (1 hour) means a ticket that permits unlimited travel on the Contracted Bus Services within Outer Metropolitan Bus Services Contract Region 5 for a duration of up to 1 hour.

Time Based Ticket (4 hour) means a ticket that permits unlimited travel on the Contracted Bus Services within Outer Metropolitan Bus Services Contract Region 5 for a duration of up to 4 hours.

Time Based Ticket (23 hour) means a ticket that permits unlimited travel on the Contracted Bus Services within Outer Metropolitan Bus Services Contract Region 5 and the Stockton Ferry Services for a duration of up to 23 hours.

TimeTen Multi Ride Ticket means a ticket that permits ten journeys on the Contracted Bus Services within Outer Metropolitan Bus Services Contract Region 5, with each journey allowing unlimited travel for a duration of up to 1 hour.

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

Trial Fare means a Fare:

- (a) that is forecast by Transport for NSW, a Contract Holder or STA to contribute less than:
 - (1) 0.1% of Ticket Sales by a Contract Holder or STA (**Ticket Sale Threshold**); and
 - (2) 0.1% of fare revenue for a Contract Holder or STA's operations (**Revenue Threshold**),
over any calendar month, and
- (b) for which there is an existing Fare for the same services covered by the Trial Fare.

A Fare will cease to be a Trial Fare if:

- (a) in any calendar month:
 - (1) the Ticket Sales for that Fare exceed the Ticket Sale Threshold; or
 - (2) the fare revenue attributable to that Fare exceeds the Revenue Threshold; or
- (b) the Fare is offered for a period of more than 12 months.

1.2 Consumer Price Index

- (a) 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 determined by IPART.
- (b) ΔCPI_1 , ΔCPI_2 and ΔCPI_3 are calculated as follows:

$$\Delta\text{CPI}_1 = \left(\frac{\text{CPI}_{\text{Sept}2014}}{\text{CPI}_{\text{Sept}2013}} \right) - 1$$

$$\Delta\text{CPI}_2 = \left(\frac{\text{CPI}_{\text{Sept}2015}}{\text{CPI}_{\text{Sept}2014}} \right) - 1$$

$$\Delta\text{CPI}_3 = \left(\frac{\text{CPI}_{\text{Sept}2016}}{\text{CPI}_{\text{Sept}2015}} \right) - 1$$

where the subtext (for example *sep2013*) refers to the CPI for the quarter and year indicated (in the example, the September quarter for 2013).

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 or annexure to, clause of, or table in 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, re-enactments 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 reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation), replacements and assigns;
- (h) a reference to an officer includes a reference to the officer which replaces it or which substantially succeeds to its powers or functions;
- (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, worked examples and clarification notices

- (a) Explanatory notes 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 Contract Region Map

