

Fact Sheet – Maximum fares for rural and regional buses from 1 January 2017



18 November 2016



WHAT

The Independent Pricing and Regulatory Tribunal (IPART) sets the maximum fares that can be charged by rural and regional bus operators for regular passenger services outside metropolitan and outer metropolitan regions.

Maximum fares for rural and regional bus services will not change on 1 January 2017 for distances up to 40 km, however some bus fares for longer distances will fall by up to 20 cents.



WHY

In 2012, IPART put in place a 5-year fare determination for rural and regional bus services. The determination sets out maximum fares as at January 2013 and established that there would be annual changes to maximum fares based on the change in cost for each year after.

We estimate that there has been a 0.3% reduction in the costs of providing rural and regional bus services over the past year. While a number of individual costs have increased, they were offset by a substantial fall in the cost of fuel (Table 1).

We have applied a 0.3% reduction to the fares in the master fare schedule corresponding with the reduction in costs. However, because all fares are rounded to 10 cents, only some fares will fall (Tables 2 and 3).



WHO

The determination affects rural and regional bus users paying the maximum fares, travelling up to 220 sections (each section is approximately 1.6 km). We do not set the discount applied to pensioner or student concession fares or the price or availability of Regional Excursion Daily tickets, which are all subject to Government policy.



HOW

We estimate the percentage change in the cost of providing bus services over the previous 12 month period to June using a Bus Industry Cost Index (BICI). It is composed of a basket of bus cost items – including labour, fuel, maintenance, insurance costs, bus costs, and other costs. These items are weighted according to their proportion of the overall cost of providing bus services. Each cost item has a relevant 'inflater' from a publicly available, independent data source. For example, the change in salaries and wages is represented by change in the Australian Bureau of Statistic's wage price index.

The BICI also includes a -0.3% adjustment to account for productivity improvements.



WHAT NEXT

On 1 January 2017, bus operators will need to ensure that they comply with the new maximum fare schedule. Many bus operators already charge less than the maximum fares, and so not all bus operators would need to change their fare schedules.

Table 1 Bus Industry Cost Index 2015-16 and superannuation adjustment

Cost item	Current weight (%)	Inflator	Inflator value 2015 (%)	Contribution to change (%)
Labour costs	52.3%	WPI	2.1%	1.1%
Bus fuel and lubricants	9.1%	FUELtrac Data	-16.7%	-1.5%
Bus repair and maintenance	4.5%	CPI – Repair and Servicing	3.1%	0.1%
Insurance	2.2%	CPI – Insurance	5.8%	0.1%
Bus capital costs	17.0%	Bus lease payment	-0.8%	-0.1%
Other costs	14.9%	CPI	1.5%	0.2%
Sub-total	100%			-0.1%
Productivity adjustment				0.3%
Bus Industry Cost Index				-0.4%
Superannuation adjustment ^a				0.1%
Total cost change				-0.3%

^a At the time the determination was put in place the Government had announced changes to the superannuation guarantee rate, which was to progressively rise from 9% to 12% from 1 July 2014. While only the first of the planned increases has been implemented, our determination continues to include a 0.1% addition to the BICI to reflect the cost increases associated with this policy. We would need to make a new determination in order to remove this. As the adjustment has such a small impact on fares we consider that the cost of bringing forward a new determination would outweigh the benefits.

Note: Totals may not add due to rounding.

Table 2 Maximum adult rural and regional bus fares for 2017 (inc GST)

Sections	Maximum adult fare 2016 \$	Maximum adult fare 2017 \$	Change in maximum adult fare on 1 January 2017 \$
1	2.30	2.30	0.00
2	3.40	3.40	0.00
3	4.30	4.30	0.00
4	5.00	5.00	0.00
5	5.70	5.70	0.00
6	6.30	6.30	0.00
7	6.90	6.90	0.00
8	7.40	7.40	0.00
9	7.90	7.90	0.00
10	8.40	8.40	0.00
11	8.80	8.80	0.00
12	9.30	9.30	0.00
13	9.70	9.70	0.00
14	10.10	10.10	0.00
15	10.50	10.50	0.00
16	10.80	10.80	0.00
17	11.20	11.20	0.00
18	11.60	11.60	0.00
19	11.90	11.90	0.00

Sections	Maximum adult fare 2016 \$	Maximum adult fare 2017 \$	Change in maximum adult fare on 1 January 2017 \$
20	12.30	12.30	0.00
21	12.60	12.60	0.00
22	13.00	13.00	0.00
23	13.30	13.30	0.00
24	13.60	13.60	0.00
25	14.00	13.90	-0.10
26	14.20	14.20	0.00
27	14.60	14.50	-0.10
28	14.80	14.80	0.00
29	15.10	15.10	0.00
30	15.40	15.40	0.00
31	15.70	15.60	-0.10
32	16.00	16.00	0.00
33	16.30	16.20	-0.10
34	16.50	16.50	0.00
35	16.80	16.70	-0.10
36	17.10	17.00	-0.10
37	17.30	17.20	-0.10
38	17.60	17.50	-0.10
39	17.90	17.80	-0.10
40	18.10	18.10	0.00
41	18.30	18.30	0.00
42	18.60	18.50	-0.10
43	18.80	18.80	0.00
44	19.10	19.00	-0.10
45	19.30	19.20	-0.10
46	19.60	19.50	-0.10
47	19.80	19.70	-0.10
48	20.00	20.00	0.00
49	20.30	20.20	-0.10
50	20.50	20.40	-0.10
51	20.70	20.70	0.00
52	20.90	20.90	0.00
53	21.20	21.10	-0.10
54	21.40	21.30	-0.10
55	21.60	21.50	-0.10
56	21.80	21.80	0.00
57	22.00	21.90	-0.10
58	22.30	22.20	-0.10
59	22.40	22.40	0.00
60	22.70	22.60	-0.10
61	22.90	22.80	-0.10
62	23.10	23.00	-0.10

Sections	Maximum adult fare 2016 \$	Maximum adult fare 2017 \$	Change in maximum adult fare on 1 January 2017 \$
63	23.30	23.20	-0.10
64	23.40	23.40	0.00
65	23.80	23.70	-0.10
66	23.90	23.90	0.00
67	24.10	24.00	-0.10
68	24.30	24.20	-0.10
69	24.50	24.40	-0.10
70	24.70	24.60	-0.10
71	30.10	30.00	-0.10
72	30.10	30.00	-0.10
73	30.10	30.00	-0.10
74	30.10	30.00	-0.10
75	30.10	30.00	-0.10
76	30.10	30.00	-0.10
77	30.10	30.00	-0.10
78	30.10	30.00	-0.10
79	30.10	30.00	-0.10
80	30.10	30.00	-0.10
81	31.20	31.10	-0.10
82	32.20	32.10	-0.10
83	32.20	32.10	-0.10
84	32.20	32.10	-0.10
85	32.20	32.10	-0.10
86	34.40	34.30	-0.10
87	34.40	34.30	-0.10
88	34.40	34.30	-0.10
89	34.40	34.30	-0.10
90	34.40	34.30	-0.10
91	37.60	37.50	-0.10
92	37.60	37.50	-0.10
93	37.60	37.50	-0.10
94	37.60	37.50	-0.10
95	37.60	37.50	-0.10
96	40.80	40.70	-0.10
97	40.80	40.70	-0.10
98	40.80	40.70	-0.10
99	40.80	40.70	-0.10
100	40.80	40.70	-0.10
101	40.80	40.70	-0.10
102	40.80	40.70	-0.10
103	43.00	42.80	-0.20
104	43.00	42.80	-0.20
105	43.00	42.80	-0.20

Sections	Maximum adult fare 2016 \$	Maximum adult fare 2017 \$	Change in maximum adult fare on 1 January 2017 \$
106	43.00	42.80	-0.20
107	43.00	42.80	-0.20
108	45.10	45.00	-0.10
109	45.10	45.00	-0.10
110	45.10	45.00	-0.10
111	45.10	45.00	-0.10
112	45.10	45.00	-0.10
113	45.10	45.00	-0.10
114	47.30	47.10	-0.20
115	47.30	47.10	-0.20
116	47.30	47.10	-0.20
117	47.30	47.10	-0.20
118	47.30	47.10	-0.20
119	47.30	47.10	-0.20
120	47.30	47.10	-0.20
121	47.30	47.10	-0.20
122	47.30	47.10	-0.20
123	47.30	47.10	-0.20
124	47.30	47.10	-0.20
125	48.40	48.20	-0.20
126	48.40	48.20	-0.20
127	48.40	48.20	-0.20
128	48.40	48.20	-0.20
129	48.40	48.20	-0.20
130	48.40	48.20	-0.20
131	48.40	48.20	-0.20
132	48.40	48.20	-0.20
133	48.40	48.20	-0.20
134	48.40	48.20	-0.20
135	48.40	48.20	-0.20
136	48.40	48.20	-0.20
137	48.40	48.20	-0.20
138	48.40	48.20	-0.20
139	48.40	48.20	-0.20
140	48.40	48.20	-0.20
141	48.40	48.20	-0.20
142	48.40	48.20	-0.20
143	48.40	48.20	-0.20
144	48.40	48.20	-0.20
145	48.40	48.20	-0.20
146	48.40	48.20	-0.20
147	48.40	48.20	-0.20
148	48.40	48.20	-0.20

Sections	Maximum adult fare 2016 \$	Maximum adult fare 2017 \$	Change in maximum adult fare on 1 January 2017 \$
149	48.40	48.20	-0.20
150	49.40	49.30	-0.10
151	49.40	49.30	-0.10
152	49.40	49.30	-0.10
153	49.40	49.30	-0.10
154	49.40	49.30	-0.10
155	49.40	49.30	-0.10
156	49.40	49.30	-0.10
157	49.40	49.30	-0.10
158	49.40	49.30	-0.10
159	49.40	49.30	-0.10
160	49.40	49.30	-0.10
161	49.40	49.30	-0.10
162	49.40	49.30	-0.10
163	49.40	49.30	-0.10
164	49.40	49.30	-0.10
165	49.40	49.30	-0.10
166	49.40	49.30	-0.10
167	49.40	49.30	-0.10
168	49.40	49.30	-0.10
169	51.60	51.40	-0.20
170	52.60	52.50	-0.10
171	52.60	52.50	-0.10
172	52.60	52.50	-0.10
173	52.60	52.50	-0.10
174	52.60	52.50	-0.10
175	52.60	52.50	-0.10
176	52.60	52.50	-0.10
177	52.60	52.50	-0.10
178	52.60	52.50	-0.10
179	52.60	52.50	-0.10
180	52.60	52.50	-0.10
181	52.60	52.50	-0.10
182	52.60	52.50	-0.10
183	52.60	52.50	-0.10
184	52.60	52.50	-0.10
185	52.60	52.50	-0.10
186	52.60	52.50	-0.10
187	52.60	52.50	-0.10
188	52.60	52.50	-0.10
189	52.60	52.50	-0.10
190	52.60	52.50	-0.10
191	52.60	52.50	-0.10

Sections	Maximum adult fare 2016 \$	Maximum adult fare 2017 \$	Change in maximum adult fare on 1 January 2017 \$
192	52.60	52.50	-0.10
193	52.60	52.50	-0.10
194	52.60	52.50	-0.10
195	52.60	52.50	-0.10
196	52.60	52.50	-0.10
197	52.60	52.50	-0.10
198	53.70	53.60	-0.10
199	53.70	53.60	-0.10
200	53.70	53.60	-0.10
201	53.70	53.60	-0.10
202	53.70	53.60	-0.10
203	53.70	53.60	-0.10
204	53.70	53.60	-0.10
205	53.70	53.60	-0.10
206	53.70	53.60	-0.10
207	53.70	53.60	-0.10
208	53.70	53.60	-0.10
209	53.70	53.60	-0.10
210	55.90	55.70	-0.20
211	55.90	55.70	-0.20
212	55.90	55.70	-0.20
213	55.90	55.70	-0.20
214	55.90	55.70	-0.20
215	55.90	55.70	-0.20
216	55.90	55.70	-0.20
217	55.90	55.70	-0.20
218	55.90	55.70	-0.20
219	55.90	55.70	-0.20
220	60.20	60.00	-0.20

Note: Maximum adult fares are equal to the master (unrounded) fare rounded to the nearest 10 cents.

Table 3 Master fare schedule (unrounded fares) for 2017 (inc GST)

Sections	Master (unrounded) fare 2016 \$	Master (unrounded) fare 2017 \$
1	2.32	2.31
2	3.43	3.42
3	4.29	4.28
4	5.03	5.01
5	5.69	5.67
6	6.34	6.32
7	6.88	6.86
8	7.42	7.40

Sections	Master (unrounded) fare 2016 \$	Master (unrounded) fare 2017 \$
9	7.94	7.91
10	8.40	8.38
11	8.83	8.80
12	9.29	9.27
13	9.68	9.65
14	10.13	10.10
15	10.51	10.48
16	10.83	10.80
17	11.24	11.21
18	11.63	11.60
19	11.94	11.90
20	12.33	12.29
21	12.65	12.61
22	13.02	12.98
23	13.33	13.29
24	13.63	13.59
25	13.97	13.93
26	14.24	14.20
27	14.57	14.53
28	14.84	14.79
29	15.11	15.07
30	15.43	15.38
31	15.69	15.65
32	16.01	15.96
33	16.29	16.24
34	16.55	16.50
35	16.80	16.75
36	17.09	17.04
37	17.30	17.25
38	17.60	17.54
39	17.86	17.81
40	18.12	18.07
41	18.34	18.28
42	18.60	18.54
43	18.84	18.78
44	19.08	19.02
45	19.28	19.23
46	19.57	19.51
47	19.79	19.73
48	20.03	19.97
49	20.28	20.22
50	20.49	20.43
51	20.73	20.67
52	20.92	20.85

Sections	Master (unrounded) fare 2016 \$	Master (unrounded) fare 2017 \$
53	21.18	21.11
54	21.38	21.32
55	21.57	21.50
56	21.82	21.75
57	22.01	21.94
58	22.26	22.19
59	22.42	22.35
60	22.71	22.64
61	22.87	22.80
62	23.10	23.04
63	23.30	23.23
64	23.45	23.38
65	23.75	23.68
66	23.93	23.85
67	24.10	24.02
68	24.28	24.21
69	24.46	24.39
70	24.72	24.65
71	30.08	29.99
72	30.08	29.99
73	30.08	29.99
74	30.08	29.99
75	30.08	29.99
76	30.08	29.99
77	30.08	29.99
78	30.08	29.99
79	30.08	29.99
80	30.08	29.99
81	31.16	31.07
82	32.23	32.14
83	32.23	32.14
84	32.23	32.14
85	32.23	32.14
86	34.39	34.28
87	34.39	34.28
88	34.39	34.28
89	34.39	34.28
90	34.39	34.28
91	37.61	37.50
92	37.61	37.50
93	37.61	37.50
94	37.61	37.50
95	37.61	37.50
96	40.82	40.70

Sections	Master (unrounded) fare 2016 \$	Master (unrounded) fare 2017 \$
97	40.82	40.70
98	40.82	40.70
99	40.82	40.70
100	40.82	40.70
101	40.82	40.70
102	40.82	40.70
103	42.98	42.85
104	42.98	42.85
105	42.98	42.85
106	42.98	42.85
107	42.98	42.85
108	45.13	44.99
109	45.13	44.99
110	45.13	44.99
111	45.13	44.99
112	45.13	44.99
113	45.13	44.99
114	47.27	47.13
115	47.27	47.13
116	47.27	47.13
117	47.27	47.13
118	47.27	47.13
119	47.27	47.13
120	47.27	47.13
121	47.27	47.13
122	47.27	47.13
123	47.27	47.13
124	47.27	47.13
125	48.35	48.21
126	48.35	48.21
127	48.35	48.21
128	48.35	48.21
129	48.35	48.21
130	48.35	48.21
131	48.35	48.21
132	48.35	48.21
133	48.35	48.21
134	48.35	48.21
135	48.35	48.21
136	48.35	48.21
137	48.35	48.21
138	48.35	48.21
139	48.35	48.21

Sections	Master (unrounded) fare 2016 \$	Master (unrounded) fare 2017 \$
140	48.35	48.21
141	48.35	48.21
142	48.35	48.21
143	48.35	48.21
144	48.35	48.21
145	48.35	48.21
146	48.35	48.21
147	48.35	48.21
148	48.35	48.21
149	48.35	48.21
150	49.43	49.28
151	49.43	49.28
152	49.43	49.28
153	49.43	49.28
154	49.43	49.28
155	49.43	49.28
156	49.43	49.28
157	49.43	49.28
158	49.43	49.28
159	49.43	49.28
160	49.43	49.28
161	49.43	49.28
162	49.43	49.28
163	49.43	49.28
164	49.43	49.28
165	49.43	49.28
166	49.43	49.28
167	49.43	49.28
168	49.43	49.28
169	51.57	51.41
170	52.65	52.49
171	52.65	52.49
172	52.65	52.49
173	52.65	52.49
174	52.65	52.49
175	52.65	52.49
176	52.65	52.49
177	52.65	52.49
178	52.65	52.49
179	52.65	52.49
180	52.65	52.49
181	52.65	52.49
182	52.65	52.49

Sections	Master (unrounded) fare 2016 \$	Master (unrounded) fare 2017 \$
183	52.65	52.49
184	52.65	52.49
185	52.65	52.49
186	52.65	52.49
187	52.65	52.49
188	52.65	52.49
189	52.65	52.49
190	52.65	52.49
191	52.65	52.49
192	52.65	52.49
193	52.65	52.49
194	52.65	52.49
195	52.65	52.49
196	52.65	52.49
197	52.65	52.49
198	53.72	53.56
199	53.72	53.56
200	53.72	53.56
201	53.72	53.56
202	53.72	53.56
203	53.72	53.56
204	53.72	53.56
205	53.72	53.56
206	53.72	53.56
207	53.72	53.56
208	53.72	53.56
209	53.72	53.56
210	55.87	55.71
211	55.87	55.71
212	55.87	55.71
213	55.87	55.71
214	55.87	55.71
215	55.87	55.71
216	55.87	55.71
217	55.87	55.71
218	55.87	55.71
219	55.87	55.71
220	60.17	59.99