



Fact Sheet

Review of Rural and Regional Bus Fares



The Independent Pricing and Regulatory Tribunal (IPART) is currently reviewing fares for public bus services provided by private bus operators in rural and regional NSW. We will determine the maximum fares to apply for 5 years from 1 January 2021 to 31 December 2025.

Public transport connects people to their communities

In rural and regional NSW, public transport enables people with limited transport options to go to school or work, access health and other services such as shopping and entertainment.

Fares for rural and regional bus services are higher than bus fares for the same distance in Sydney and surrounds, with the exception of very short bus trips occurring in peak periods. For longer distances, rural and regional bus fares also exceed coach fares for the Government funded TrainLink coach services and regional bus fares in Queensland, Victoria and the ACT.

At the same time, rural and regional areas tend to have higher unemployment, lower incomes and populations that are ageing faster than in Sydney. A substantially higher proportion of fare paying passengers using these services travel on concession and pensioner fares compared with the Opal network in Sydney and surrounds.

Changing fares to make them more affordable

Our Draft Report outlines a number of changes aimed at making rural and regional bus fares more affordable and more consistent with those for similar services.

We expect these fares to encourage greater use of existing rural and regional bus services, increasing their value to the community and making the services more cost effective. We have also made a number of other recommendations in relation to changing the way services are contracted and paid for.

This fact sheet summarises our draft decisions, discusses the community consultation we have undertaken to date and outlines how you can have your say.

Our Draft Report and a number of information papers containing additional analysis are available on our [website](#).

Our draft decisions mean cheaper fares for bus users

Our Draft Report proposes:

- ▼ Reducing maximum fares for regular route services over all distances – the largest reductions are for long distance travel. The proposed fares are up to 50% lower than the current maximums depending on the distance travelled. They could save passengers up to 30 cents a trip on shorter distance journeys and up to \$25 a trip on longer distance journeys.
- ▼ Cheaper, simpler daily tickets, with a \$5 daily ticket for short distance trips and a maximum daily fare of \$30.
- ▼ Bus operators will be able to apply to Transport for NSW for permission to charge around 40% more for peak services (ie subject to overcrowding) and up to \$5 more for flexible, on-demand services.
- ▼ Expanding availability of concessions to all people holding a Commonwealth Health Care Card and streamlining access to concession fares.
- ▼ That the NSW Government consider options for providing fare assistance to vulnerable people and making family travel more affordable.

The proposed maximum (adult) fares for regular route services are set out below. Concession fares are typically set at half the adult fare.

Proposed fares for rural and regional regular route bus services (including GST)

Sections travelled	Kilometres travelled	Current maximum fare (\$)	Proposed maximum fare (\$)	Difference (\$)	Difference (%)
1-2	0-3 km	2.40	2.30	-0.10	-4.2
3-6	3-8 km	3.60	3.30	-0.30	-8.3
7-15	8-20 km	5.10	4.20	-0.90	-17.6
16-25	20-35 km	7.60	4.50	-3.10	-40.8
26-37	35-65 km	10.10	5.90	-4.20	-41.6
38-56	65-90 km	15.10	7.50	-7.60	-50.3
57-75	90-120 km	21.90	10.00	-11.90	-54.3
76-100	120-160 km	30.70	15.00	-15.70	-51.1
101-125	160-200 km	40.70	20.00	-20.70	-50.9
126+	200+ km	50.60	25.00	-25.60	-50.6

Note: Sections are an average of 1.6km over the length of a bus route, but may vary. The distance in kilometres above does not correspond exactly to the distance in sections.

Our draft decision recognises the purpose of rural and regional bus services

We consider the main purpose of providing taxpayer-subsidised bus services in rural and regional areas is to ensure people with limited travel options have reasonable access to transport within their local communities. So we have given significant weight to people's willingness and capacity to pay for bus services.

Our proposed fares are more consistent with fares across other Government funded bus services and with interstate regional bus fares. They are set at around 70% of the maximum peak period bus fares for Opal services in metropolitan and outer metropolitan regions (off-peak Opal fares are set at 70% of peak period fares).

Greater consistency brings fares in line with people's expectations, reduces barriers to expanding electronic ticketing and trip planning (using apps including Google) and encourages use of public transport across NSW.

We are also proposing draft recommendations for Transport for NSW to consider aimed at improving the delivery of bus services in rural and regional NSW:

- ▼ Improving information for passengers about services and fares.
- ▼ Promoting efficient delivery of services through changes to contracting.
- ▼ Ensuring that future transport planning fully considers the economy wide benefits of transport in enabling people to access essential services like employment and healthcare.
- ▼ Targeting improved services (such as, more flexible on-demand buses) to areas where the need is greatest.
- ▼ Providing greater certainty to bus operators regarding coordination of electronic ticketing, customer interface and payment technologies which would provide a more seamless customer experience across the State.



We considered all feedback from our consultation in making our draft decisions

Our review process to date has involved detailed analysis and public consultation:

- ▼ In July 2020 we released two Issues Papers which set out our proposed approach for the review. We received 16 submissions, which are available on the IPART website (www.ipart.nsw.gov.au).
- ▼ We have received 67 responses to our online survey, which will remain available until the end of October.
- ▼ We appointed Orima Research to undertake a survey of rural and regional areas to understand current demand for public transport as well as the use of more flexible, on-demand services. Orima's report is available on our website.
- ▼ We have consulted with 11 industry and consumer groups (via virtual meetings) over the course of our review.

Key themes from our consultation

Buses provide vital access to essential services

- ▼ There are people in rural and regional areas who rely on public transport to access essential services such as health, education, employment and medical care.
- ▼ Some groups including older people, Aboriginal communities, large families and isolated children and youth are particularly vulnerable to social exclusion.

Fares are not affordable for everyone

- ▼ Long distance travel is too expensive.
- ▼ Not everyone who needs a discounted fare gets one.
- ▼ The \$2.50 RED ticket is good value.
- ▼ It's expensive for a whole family to travel on the bus.

People would use buses more if the services were better

- ▼ Services are not always frequent enough to rely on – eg, last bus back leaves too early, some services don't run in school holidays.
- ▼ Sometimes the bus stop is too far away or the bus isn't accessible for wheelchairs and prams.
- ▼ Some bus users would like electronic ticketing and contactless payments.
- ▼ Information about services and fares is sometimes a barrier – some people don't want to phone an operator to check how much it costs or whether a bus is wheelchair accessible, some people prefer not to get information online, so different options need to be available.



There is community support for on demand bus services

- ▼ If they are well designed, these types of services can substantially increase the use of buses, particularly by people who find it difficult to use regular route services.
- ▼ People may be willing to pay more for these types of services, but for many people, higher fares would be a barrier to use.
- ▼ These services are more expensive to provide, even where they are well targeted and used.

Have your say on our
Draft Report and information papers

We are seeking written submissions on our Draft Report and the accompanying information papers. We encourage everyone to comment on the matters discussed, or any other issue relevant to the review.

More information on how to make a submission is available in our Draft Report or from our [website](#).

Submissions are due by **30 October 2020**.



The consumer survey will remain available on our website until 30 October 2020, and we encourage residents in rural and regional areas to respond if they have not already done so, whether they use bus services or not.

We will also hold a public hearing on 20 October 2020. The public hearing will be online, given the need for social distancing during the COVID-19 pandemic. Further information on the hearing will be available from [IPART's website](#) shortly.