

Fact Sheet – Finding the best fare structure for Opal

21 July 2015



WHAT

IPART has been asked to review and determine maximum fares for public transport to apply from July 2016.

This review will focus on two areas:

- ▼ **The best fare structure**, and how existing fares should transition to this structure taking into account the impact on passengers and technological constraints.
- ▼ **The maximum fare level**, taking into account how the costs of providing the services should be shared between passengers and taxpayers.

The first part of the review looks at fare structure and focuses mainly on whether fares should be more integrated across modes. We are also looking at other aspects of fare structure including how fares vary by distance and whether the current off-peak discount for train fares should also apply to other modes.



WHY

The Opal electronic ticketing system allows us to consider a range of fare options that were previously not practical.

The Minister for Transport has specifically asked us to consider whether there is a good case for integrating fares between modes and whether fares can be better used to spread demand across the network.



WHO

The review affects all users of rail, bus, ferry and light rail services on which the Opal card can be used. This covers most services in Sydney, Newcastle, the Central Coast, Wollongong, the Blue Mountains and the Hunter regions.

The review also affects taxpayers because most of the costs of public transport are funded by Government.



HOW

This Issues Paper is the first step in our consultation process, and focuses mainly on fare structure.

We will release a separate Discussion Paper in early September that focuses on the second area – maximum fare levels – and invite further submissions.

After we have consulted on and considered the fare structure and the fare level, we will release a Draft Report in December outlining our advice.

We will provide a final Determination in March 2016.



WHAT NEXT

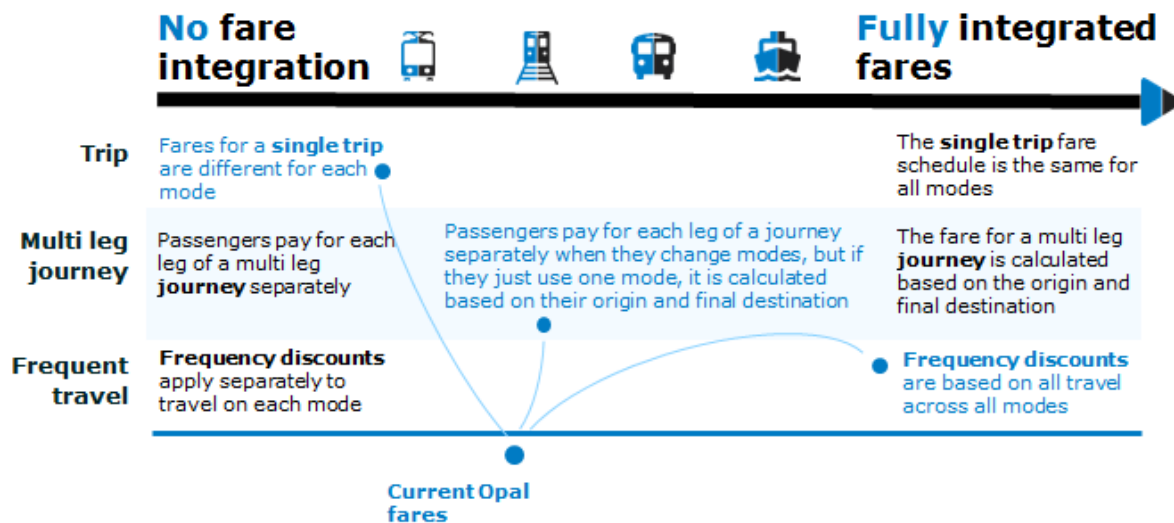
We are seeking comments on the best fare structure for Opal until 28 August 2015. We prefer receiving comments [online](#), or alternatively via email or post.

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WHAT IS FARE INTEGRATION?

Fare integration can be seen as a spectrum. At one end, there is no integration where fares are different for each mode of public transport, and each trip is charged as a separate journey, regardless of whether it's made on the same or a different mode. At the other end, there are fully integrated fares where the same fare schedule applies to every mode, and trips made as part of the same journey are charged together as a single journey, regardless of their number and mode.

Opal fares are currently somewhere in the middle of this spectrum. Passengers pay different fares for a single trip on each mode. Passengers who transfer modes to make a single journey are charged a higher price than those who don't, because they must pay for each mode separately. However, passengers earn and use frequency discounts on travel across any mode.



As part of our review of fare structure, we are looking at options for making Opal fares more integrated. The options include:

- ▼ **Fully integrated fares**, where the same fares apply to all modes and the same length journey costs the same no matter which mode, or combination of modes is used.
- ▼ **Greater integration for multi-leg journeys**, where fares for a single trip continue to be different for each mode but passengers are not charged for two separate trips if they switch modes.

IPART'S REVIEW

on fares for public transport **has 2 parts**

1. Fare structure

How fares change for different journeys

- Should fares be the same for trains, buses, ferries and light rail?
- Should long journeys cost more than short journeys?
- Should fares be different at different times of the day or week?
- What discounts should there be for people who use public transport often?
- Should there be conditions around when concession tickets can be used?



Seeking stakeholder comment
We're currently seeking your ideas on how fare structure could be improved

See our Issues Paper for more information

2. Fare levels

How much revenue comes from passengers and how much from taxpayers

- What are the costs of providing services?
- What are the community-wide or external benefits of public transport?
- How do people use public transport and respond to changes in price?



Next steps

We will release a discussion paper on fare levels in **September** and seek feedback on this part of the review