

## FACT SHEET

# Review of fares for metropolitan and outer metropolitan bus services from January 2010

On 14 December 2009, we released our final determination on bus fares for the metropolitan and outer metropolitan regions of NSW.

### How fares will change

Under the final determination, fares in all 25 regions will increase by an average of 3.4% on 3 January 2010. Fares will rise by an average of 14.0% (or 6% plus inflation) over the whole 4 year period.

More specifically, the price of:

- ▼ **Single trip tickets** will increase by between 10 and 20 cents on 3 January 2010 and by up to 20 cents in January of each year over the subsequent 3 years (depending on the length of the journey).
- ▼ **TravelTen, Private Bus Weekly** and **T-WayTen<sup>1</sup>** tickets will increase by between 40 cents and \$1.60 on 3 January 2010 (depending on the length of the journey). Over the subsequent 3 years, most of these tickets will increase by between 80 cents and \$1.60 in January of each year.
- ▼ **Weekly TravelPasses** will increase by between \$1.00 and \$2.00 on 3 January 2010 and by between \$1.00 and \$2.00 in January of each year over the subsequent 3 years.
- ▼ **Time-based fares** in Newcastle will increase by between 10 and 30 cents on 3 January 2010 and by between 10 and 40 cents in January of each year over the subsequent 3 years (depending on the length of time the ticket applies).
- ▼ **TimeTen** tickets in Newcastle will increase by 70 cents on 3 January 2010 and by between 90 cents and \$1.00 in January of each year over the subsequent 3 years.

A complete list of new fares is provided in Attachment A. The maximum fares under our final decision are based on the current fares for each ticket type, increased each year by the average increase in fares, which is approximately 1.5% plus inflation in every year of the determination. The increases in maximum fares shown below are

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<sup>1</sup> T-WayTens are for 10 bus trips on the Liverpool to Parramatta Transitway.

slightly different for each ticket because each fare has been rounded (to the nearest 10 cents or dollar, depending on the ticket). Please note that the listed fares are based on forecast annual inflation rates of 2.0%. If the actual inflation rate differed from the forecast rate in any year, then fares for that year would be adjusted to reflect the difference.

## How we set fares

We believe the final determination will ensure that fare-paying passengers make a fair and appropriate contribution to the efficient costs of providing the services they use, and will encourage optimal use of bus services. To set these fares we undertook rigorous analysis to estimate:

- ▼ the total efficient costs of providing the contracted bus services (including operator and RTA costs<sup>2</sup>), and
- ▼ the external benefits generated by these services (that is, the benefits for the whole community, not just bus users, such as reduced road congestion and reduced air pollution).

We subtracted the value of the external benefits from the efficient costs, because we consider it reasonable for the Government to subsidise bus fares to a level consistent with this value. We also subtracted the costs of providing free bus services to school students and concession fares to pensioners and other disadvantaged groups. We did this because we consider the Government, not bus passengers, should fund the costs of these social welfare policies. We then set fares to recover the remaining amount (taking into account the forecast patronage of bus services over the determination period). These fares recover around half of the total cost that Government incurs in providing bus services.

For more detail on how we set fares, or information on how to make a submission, please refer to our final report, *Review of fares for metropolitan and outer metropolitan bus services*, which is available on our website <<http://www.ipart.nsw.gov.au>>.

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<sup>2</sup> For example, RTA costs include those of providing and maintaining bus priority measures, such as bus lanes, priority traffic signals and bus bays along major bus corridors.

## A IPART's final decision on bus fares for 2010 – 2013

This attachment sets out the fares to apply from 2010-2013 under our final determination.

### A.1 Single trip tickets

The maximum prices for single adult tickets are shown in Table A.1.

**Table A.1 Single adult fares**

Sections	2009 Fare (\$ nominal)	From Jan 2010 Fare (\$ nominal)	From Jan 2011 Fare (\$ nominal)	From Jan 2012 Fare (\$ nominal)	From Jan 2013 Fare (\$ nominal)	Cumulative change (\$ nominal)	Total change 2009-2013 (% nominal)
1 to 2	1.90	2.00	2.00	2.10	2.20	0.30	15.8%
3 to 5	3.20	3.30	3.40	3.50	3.60	0.40	12.5%
6 to 9	4.20	4.30	4.50	4.60	4.80	0.60	14.3%
10 to 15	5.00	5.10	5.30	5.50	5.70	0.70	14.0%
16+	6.10	6.30	6.50	6.70	6.90	0.80	13.1%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0%. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWTTI's rounding conventions.

### A.2 TravelTen, T-WayTen and private bus weekly tickets

We decided to continue to price TravelTen, private bus weekly and T-Way Ten tickets based on the price of 10 single tickets less a 20% discount. The maximum prices for these multi-trip tickets are shown in Table A.2.

**Table A.2 TravelTen, T-Way Ten and private bus weekly adult fares**

Sections	2009 Fare (\$ nominal) <sup>a</sup>	From Jan 2010 Fare (\$ nominal)	From Jan 2011 Fare (\$ nominal)	From Jan 2012 Fare (\$ nominal)	From Jan 2013 Fare (\$ nominal)	Cumulative change (\$ nominal)	Total change 2009-2013 (% nominal)
1 to 2	15.20/15.30	16.00	16.00	16.80	17.60	2.40/2.30	15.8/15.0%
3 to 5	25.60	26.40	27.20	28.00	28.80	3.20	12.5%
6 to 9	33.60/34.00	34.40	36.00	36.80	38.40	4.80/4.40	14.3/12.9%
10 to 15	40.00/40.80	40.80	42.40	44.00	45.60	5.60/4.80	14.0/11.8%
16+	48.80/49.30	50.40	52.00	53.60	55.20	6.40/5.90	13.1/12.0%

<sup>a</sup> T-WayTen fares are the higher of the two amounts shown.

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0%. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWTTI's rounding conventions.

T-Way BusPlus tickets combine train and T-Way bus services to provide unlimited weekly travel to and from a destination via the Liverpool to Parramatta Transitway. The fare is calculated by combining the seven day rail pass fare and the T-Way fare. The T-Way component is calculated on number of sections travelled. The maximum prices for T-Way BusPlus weekly adult tickets are shown in Table A.3.

**Table A.3 T-Way BusPlus weekly adult fares**

Sections	2009	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change	Total change 2009-2013
	Fare (\$ nominal)	Fare (\$ nominal)				(\$ nominal)	(% nominal)
1 to 2	14.40	14.80	15.30	15.80	16.40	2.00	13.9%
3 to 5	26.70	27.40	28.40	29.40	30.40	3.70	13.9%
6 to 9	38.00	39.00	40.40	41.80	43.20	5.20	13.7%
10 to 15	54.60	56.10	58.00	60.10	62.10	7.50	13.7%
16+	69.30	71.20	73.70	76.20	78.90	9.60	13.9%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0%. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination.

The T-Way weekly ticket provides for unlimited weekly travel on T-Way services throughout designated zones. The maximum prices for T-Way weekly adult tickets are shown in Table A.4.

**Table A.4 T-Way weekly adult fares**

Sections	2009	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change	Total change 2009-2013
	Fare (\$ nominal)	Fare (\$ nominal)				(\$ nominal)	(% nominal)
North (section 1-10)	38.00	39.00	40.40	41.80	43.20	5.20	13.7%
South (section 10-19)	38.00	39.00	40.40	41.80	43.20	5.20	13.7%
North + South (section 1-19)	69.30	71.20	73.70	76.20	78.90	9.60	13.9%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0%. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWTI's rounding conventions.

### A.3 One- and two-mode TravelPasses

The maximum prices for one- and two-mode TravelPasses are shown in Table A.5. The prices for three-mode TravelPasses were set in IPART's 2009 CityRail determination.

**Table A.5 Fares for one- and two-mode adult weekly TravelPasses**

Sections	2009	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change	Total change 2009-2013
	Fare (\$ nominal)	Fare (\$ nominal)				(\$ nominal)	(% nominal)
<b>Blue</b>	34.00	35.00	36.00	37.00	39.00	5.00	14.7%
<b>Orange</b>	43.00	44.00	46.00	47.00	49.00	6.00	14.0%
<b>Pittwater</b>	58.00	60.00	62.00	64.00	66.00	8.00	13.8%
<b>2-Zone</b>	34.00	35.00	36.00	37.00	39.00	5.00	14.7%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0%. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest dollar in accordance with IPART's legal determination and NSWRTI's rounding conventions.

### A.4 Bus tickets in Newcastle

The maximum prices for Newcastle time-based fares are shown in Table A.6 and Table A.7.

**Table A.6 Newcastle time-based fares**

Sections	2009	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change	Total change 2009-2013
	Fare (\$ nominal)	Fare (\$ nominal)				(\$ nominal)	(% nominal)
<b>1 Hour</b>	3.20	3.30	3.40	3.50	3.60	0.40	12.5%
<b>4 Hours</b>	6.20	6.40	6.60	6.80	7.10	0.90	14.5%
<b>TimeTen 1 Hour</b>	26.10	26.80	27.70	28.70	29.70	3.60	13.8%
<b>All Day</b>	9.50	9.80	10.10	10.40	10.80	1.30	13.7%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0%. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWRTI's rounding conventions.

**Table A.7 Two-mode Newcastle TravelPass**

Sections	2009 Fare (\$ nominal)	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change (\$ nominal)	Total change 2009-2013 (% nominal)
Newcastle Orange	34.00	35.00	36.00	37.00	39.00	5.00	14.7%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0%. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest dollar in accordance with IPART's legal determination and NSWTI's rounding conventions.

## A.5 Bus Tripper, Sports Special and school term pass

The maximum prices for BusTripper and Sports Special adult tickets are shown in Table A.8. The maximum prices for the School term pass ticket are shown in Table A.9.

**Table A.8 Bus Tripper and Sports Special adult fares**

Sections	2009 Fare (\$ nominal)	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change (\$ nominal)	Total change 2009-2013 (% nominal)
Bus Tripper	12.70	13.00	13.50	14.00	14.50	1.80	14.2%
Sports special return	5.60	5.80	6.00	6.20	6.40	0.80	14.3%
Sports special single	3.20	3.30	3.40	3.50	3.60	0.40	12.5%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming an inflation forecast of 2.0%. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWTI's rounding conventions.

**Table A.9 School term pass fares**

Sections	2009 Fare (\$ nominal)	From Jan 2010	From Jan 2011	From Jan 2012	From Jan 2013	Cumulative change (\$ nominal)	Cumulative change (% nominal)
School term pass	45.10	46.30	47.90	49.60	51.30	6.20	13.7%

**Note:** Fares from January 2011 to 2013 are presented in nominal dollars assuming a market implied inflation forecast of 2.0%. Actual fares in these years will be adjusted for the difference between this forecast and actual inflation and rounded to the nearest 10 cents in accordance with IPART's legal determination and NSWTI's rounding conventions.