

NSW Transport Facts 1

Review of Fares for CityRail in NSW 2006

From 2 July 2006

Welcome to NSW Transport Facts

A Fact Sheet on IPART's Review of Fares for CityRail from July 2006

In all its work, IPART aims to be transparent and provide information to all stakeholders. As part of this information provision, we are publishing this fact sheet. On 16 June, IPART released its determination on CityRail fares for the period from 2 July 2006. This fact sheet provides a short summary of IPART's report. The full report and determination are available on IPART's website.

Overview

The Independent Pricing Tribunal of NSW (IPART) has made a determination on CityRail fares for the period from 2 July 2006. Under this determination, CityRail will:

- ▼ Increase most standard ticket fares by an average of 2.9 per cent (before rounding).
- ▼ Reduce the discount on off-peak fares to an average of 30 per cent of the equivalent peak fare (compared to the current discount of 39 per cent of the equivalent peak fare).

After rounding this will mean that the price of:

- ▼ many single fares for suburban trips will not increase at all, and most of the remainder will increase by 20 cents
- ▼ single fares for distances of 175 km will increase by 40 cents, while those for distances of 305 km or more will increase by no more than \$1.00
- ▼ TravelPasses will increase by no more than \$1.00
- ▼ weekly tickets for distances up to 125 km will increase by no more than \$1.00
- ▼ off-peak return fares for distances up to 85 km will increase by no more than \$1.80.

In making its overall decision to increase fares, IPART took into account two key issues. First, CityRail fares have not been reviewed or increased since August 2003, because the Government recognised that the agency's performance was not meeting the community's expectations. Since that time, prices in general have increased by 7.8 per cent,¹ and the costs of providing CityRail services have increased by 22 per cent.² As a result, the revenue generated by fares has declined as a proportion of these costs, and government funding has increased as a proportion of these costs. Without fare increases, these trends would have continued, which could have threatened CityRail's long-term financial viability.

Second, a significant portion of the increase in CityRail's costs is due to initiatives to improve its performance. There is evidence to show that these initiatives have resulted in an increase in the quality, reliability and safety of its passenger services. For example, on-timing running has improved since the introduction of the September 2005 timetable. The cleanliness of trains and the availability of ticket machines have also improved. RailCorp and the NSW Government are undertaking a major capital investment program that is expected to further improve the quality, reliability and safety of services. The additional costs of these service improvement initiatives needed to be funded – by users of CityRail services, by an increase in government funding, or by both. The level of government funding will increase relative to 2005/06 under this determination.

In making its specific decision on the discount for off-peak fares, IPART took into account that:

- ▼ the return journey of off-peak tickets is often made during the afternoon peak period
- ▼ the cost of providing off-peak services is at least as high as that of providing peak services
- ▼ Around 70 per cent of CityRail services are run during off-peak times, but off-peak ticket sales account for just 13 per cent of total fare revenue
- ▼ off peak fares are relatively inexpensive
- ▼ other modes of public transport do not have off-peak fares.

IPART has considered the impact of its pricing decisions on CityRail customers, CityRail and the general community. It believes these decisions achieve a reasonable balance between the varied interests of these different stakeholders. In particular, its analysis suggests that the decisions will have a relatively minor financial impact on customers, while helping to ensure the long-term financial viability of CityRail services and containing the need for increased government funding of these service. In addition, these decisions are not likely to lead to a major shift from public transport to cars, so their impact on the environment will be minimal.

The maximum fares for specific CityRail services that will apply from 2 July 2006 are shown in the tables attached.

James P. Cox
Chief Executive Officer and Full Time Member

¹ Change in CPI June to June except for 2005/06 which is from June quarter 2003 to March quarter 2006 (average of four quarters).

² 22% nominal, operating costs and depreciation.

Appendix 1 – CityRail fares from 2 July 2006

Table 1 Maximum prices for CityRail distance based tickets

Distance up to (Km)	Single (\$)	Half Fare Single (\$)	Return (\$)	Half Fare Return (\$)	Weekly (\$)	Half Fare Weekly (\$)	Off-Peak Return (\$)
5	2.40	1.20	4.80	2.40	19.00	9.50	3.40
10	2.80	1.40	5.60	2.80	23.00	11.50	4.00
15	3.20	1.60	6.40	3.20	26.00	13.00	4.40
20	3.60	1.80	7.20	3.60	29.00	14.50	5.00
25	4.00	2.00	8.00	4.00	32.00	16.00	5.60
30	4.40	2.20	8.80	4.40	34.00	17.00	6.20
35	4.40	2.20	8.80	4.40	35.00	17.50	6.20
45	5.20	2.60	10.40	5.20	38.00	19.00	7.20
55	6.20	3.10	12.40	6.20	41.00	20.50	8.60
65	6.80	3.40	13.60	6.80	45.00	22.50	9.60
75	8.20	4.10	16.40	8.20	48.00	24.00	11.40
85	9.00	4.50	18.00	9.00	51.00	25.50	12.60
95	10.00	5.00	20.00	10.00	53.00	26.50	14.00
105	10.40	5.20	20.80	10.40	55.00	27.50	14.60
115	11.60	5.80	23.20	11.60	57.00	28.50	16.20
125	13.00	6.50	26.00	13.00	60.00	30.00	18.20
135	13.20	6.60	26.40	13.20	66.00	33.00	18.40
155	15.20	7.60	30.40	15.20	72.00	36.00	21.20
175	17.40	8.70	34.80	17.40	76.00	38.00	24.40
195	21.00	10.50	42.00	21.00	83.00	41.50	29.40
215	21.00	10.50	42.00	21.00	83.00	41.50	29.40
235	25.00	12.50	50.00	25.00	97.00	48.50	35.00
255	25.00	12.50	50.00	25.00	97.00	48.50	35.00
305	29.00	14.50	58.00	29.00	110.00	55.00	40.60
305+	29.00	14.50	58.00	29.00	110.00	55.00	40.60

Table 2 Maximum prices for TravelPass tickets

Tickets	Weekly (\$)	Quarterly (\$)	Yearly (\$)	Half Fare (\$)
Sydney TravelPass Red	33.00	363.00	1320.00	16.50
Sydney TravelPass Green	41.00	451.00	1640.00	20.50
Sydney TravelPass Yellow	45.00	495.00	1800.00	22.50
Sydney TravelPass Pink	48.00	528.00	1920.00	24.00
Sydney TravelPass Purple	55.00	605.00	2200.00	27.50