

MYZONE FARE CHANGES

1 April 2010

On 1 February 2010, the Government announced a new fare structure for public transport in Sydney, Central Coast, Hunter and Illawarra called 'MyZone' (for more information see: www.myzone.nsw.gov.au or phone the Transport Info line on 131 500). MyZone will be introduced on 18 April 2010. Under MyZone most passengers will see fare reductions but some will pay more for their travel than they do under the existing fares.

IPART is responsible for determining maximum fares for public transport services in NSW. We have put determinations in place for all current rail, bus and ferry services that fix the maximum fares that can be charged.

However, the Premier recently advised us that to implement the Government's MyZone fares an amendment to the relevant Order will be made to temporarily remove our responsibility for determining the maximum prices for services under a small number of tickets.¹ In addition the Government will simplify fares by withdrawing from sale a number of existing bus, rail and TravelPass products.

Our current determinations on maximum prices for services under rail tickets, bus tickets and TravelPasses will continue *except* for those tickets covered by the amendment to the Order or withdrawn. Our current determination for Sydney Ferries will cease to apply when Sydney Ferries enters into a new service contract, which we understand will be by 18 April.

The Premier's letter has advised that 'the purpose of the proposed amendment to the Order is to deal with a small range of ticket products as an interim measure, not pricing determinations by IPART more generally.' In her letter the Premier writes that 'The Government recognises the importance of independent pricing determinations in respect of government monopoly services and will continue to entrust to IPART the role of determining future price paths'. However, she argues that the introduction of MyZone is an important part of the Government's overall public transport policy and that the amended Order is necessary to implement the MyZone changes.

¹ Letter from NSW Premier, 22 March 2010.

Rail and bus tickets

The MyZone products for travel on rail and bus include:

- ▼ MyTrain: with 5 train fare bands instead of the current 20
- ▼ MyBus: with 3 fare bands instead of the current 5.

MyTrain fares include single, return, weekly, 28 day, quarterly and yearly tickets. MyBus fares include single fares and TravelTens both of which can be used on all STA and private buses. The fares for most of these tickets are at or below the levels fixed in our determination for equivalent tickets.

However, fares for some MyTrain 28 day Rail Passes, MyTrain 365 day Rail Passes and MyTrain Child Off-peak Return are higher than the levels set in our current CityRail determination for equivalent tickets. Under the amendment to the Order, the Government will temporarily remove IPART's responsibility for determining the maximum price for the services under these tickets. Instead the maximum prices for services under these MyTrain tickets will be determined by the Government until IPART makes a new determination, which under the amended Order can not be before April 2011.

From 18 April, the Government will also withdraw some bus and rail tickets, including:


- ▼ Private bus weeklies
- ▼ Rail FlexiPasses (the ability to specify any period of days between 28 and 366).

TravelPasses – combined bus, train and ferry tickets

MyZone includes 3 new multi-mode tickets that cover all three modes of travel. The new multi-modal passes allow unlimited travel on public and private buses and Sydney Ferries services, as well as in the relevant CityRail zone. MyMulti 1, 2 and 3 fares are available as weekly, quarterly and yearly tickets. MyZone also includes MyMulti Day, which allows unlimited travel on all rail, bus and STA ferry services for one day.

The multi-modal tickets under MyZone (MyMulti 1, 2 and 3) offer an expanded package of services at a price that is equal to or below the equivalent ticket in our current determination (Red, Orange, Pittwater, Green, Yellow, Pink and Purple TravelPasses).

However, the price of the MyMulti Day is above the level set for the equivalent ticket in our determination (the DayTripper). Under the amendment to the Order, the Government will also temporarily remove IPART's responsibility for setting the maximum price for the services under this ticket. Instead the maximum price for the services under the MyMulti Day will be determined by the Government until IPART



makes a new determination, which under the amended Order can not be before April 2011.

From 18 April, the Government will withdraw two TravelPasses, namely:

- ▼ Blue TravelPass – bus and ferry travel only
- ▼ 2-Zone TravelPass – bus travel only.

As a consequence, some passengers will pay more for their travel because the nearest alternative multi-modal tickets available under MyZone will cost more than the withdrawn tickets.

Sydney Ferries tickets

MyZone introduces MyFerry for travel on Sydney Ferries with 2 fare bands instead of the current 5. MyFerry includes single fares and TravelTens.

Some of the MyFerry fares to be charged under My Zone exceed the maximum fares set in our 2007 Sydney Ferries determination. We understand that the Sydney Ferries service contract is to be replaced with a new contract prior to the commencement of MyZone and that (as permitted under the relevant legislation) the new contract will provide for Sydney Ferries to charge the MyZone ferry fares. These fares will apply until IPART makes a new ferry fare determination.

James Cox
Acting Chairman and
Chief Executive Officer