

IPART RELEASES DRAFT DETERMINATION ON BUS FARES FOR METROPOLITAN AND OUTER METROPOLITAN BUS SERVICES FROM 1 JANUARY 2010

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The Independent Pricing and Regulatory Tribunal (IPART) today released its draft determination on bus fares for the four years from 2010 to 2013.

IPART proposes that on 3 January 2010, fares will rise by on average by 1.5 per cent plus inflation or 3.5 per cent. Fares will rise by a total of 6 per cent plus inflation over the four year period.

The fare rises cover 25 bus contract regions for Sydney metropolitan and outer metropolitan including Blue Mountains, Newcastle and Wollongong.

Under IPART's proposals, bus fares will increase by slightly more than the rate of inflation in each of the coming four years. These fare increases will allow the Government to recover around half of its total costs in providing contracted bus services over this period, which is similar to its current level of cost recovery.

A final determination will be announced in December, 2009.

More specifically the price of:

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

Acting Chairman, Mr James Cox said "IPART considers that bus passengers should pay no more than their fair share of the efficient costs of providing them with bus services. We have analysed the costs of bus operators carefully and have calculated the efficient costs of providing services to fare-paying passengers. We have also included some expenditure by the RTA (on bus-ways and other bus priority measures) that directly benefits bus passengers. Passengers should pay a share of any such investment in the future.

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

Bus services provide benefits directly to passengers. They also provide benefits to the broader community through, for example, reduced congestion on roads and lower air pollution. IPART has carefully estimated the value of these external benefits of bus services. Under our rigorous and transparent methodology, the amount that passengers will pay in fares will equal the efficient costs of providing them with bus services less the value of the external benefits that these services provide to the community” said Mr Cox.

The draft determination and report, *Review of fares for metropolitan and outer metropolitan bus services* are available on IPART’s website <<http://www.ipart.nsw.gov.au>>.

Submissions on this draft determination and report can be made until 16 November 2009.

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