

PUBLIC TRANSPORT FARES UNDER REVIEW

Tuesday 21 July 2015

The Independent Pricing and Regulatory Tribunal (IPART) is calling for community input into how public transport fares should be set following the roll-out of Opal electronic ticketing.

For the first time, IPART is simultaneously reviewing fares across all rail, bus, ferry and light rail services on which the Opal card can be used in Sydney, Newcastle, the Central Coast, Wollongong, the Blue Mountains and the Hunter.

IPART Chairman Dr Peter Boxall said the review would consider a range of options for improving the Opal fare structure, with a particular focus on whether fares should be more integrated across the different modes (rail, bus, ferry and light rail).

While Opal provides an integrated ticket that can be used on all of these modes, the fares on each mode are different, and passengers that switch modes to make a single journey pay more. For example, it currently costs \$4.50 for a 25-kilometre journey made in the peak using only buses, \$4.82 using only trains, but can cost \$7.70 if the same passenger uses a train and a bus.

“With the roll-out of Opal electronic ticketing now largely complete, there is an opportunity to consider a range of fare options that were previously not practical under paper tickets and look at where improvements should be made,” Dr Boxall said.

“We are looking at not only how much passengers should pay, but also whether charges should be based on the type of transport used, the time a journey occurs, the distance travelled and how often it is used.”

The Issues Paper released for comment today draws on the approaches taken in other global cities and seeks feedback on a range of possible options, including:

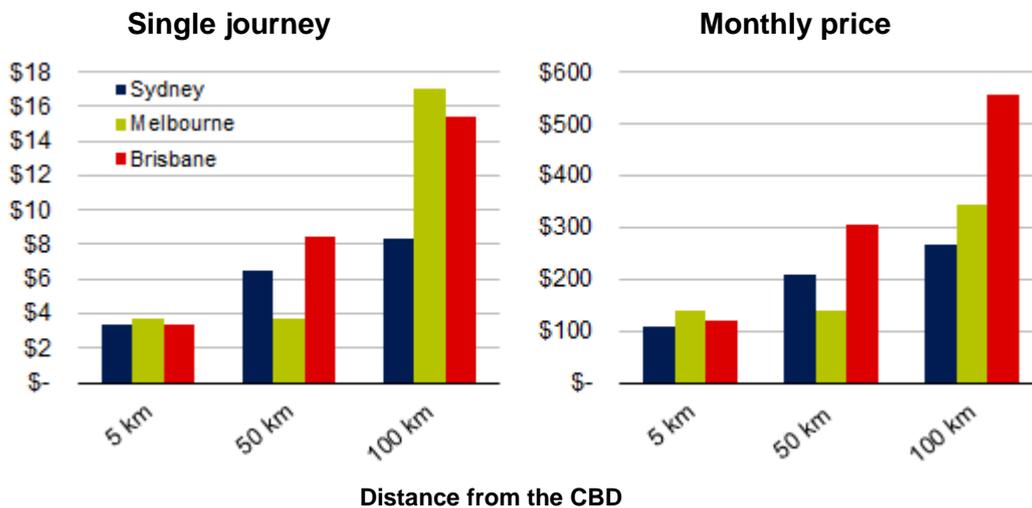
- ▼ Setting the same fare for travelling the same distance, regardless of the type of transport used. This potentially leads to large fare changes for some passengers, particularly people who travel short distance by bus in peak times.
- ▼ More minor changes that keep different fares, but make it cheaper for passengers to change between each type of transport.
- ▼ Changing how fares for different distances are calculated
 - Some cities have the same fare, regardless of whether a passenger travels 5 km or 25 km, but higher fares for longer distance journeys (see background information below). In Sydney, the fares for a 5 km and 25 km are different, and the fares for long distance journeys are relatively low.
 - In Sydney, the distance of a bus and ferry Opal journey is measured based on the straight line distance between the origin and the destination, but train distances are measured by the route travelled. One option is to measure all journeys in the same way.

How Sydney's fares compare

Fares for long distance journeys in Sydney are substantially lower than in other jurisdictions, particularly for train journeys. For example, compared with Sydney:

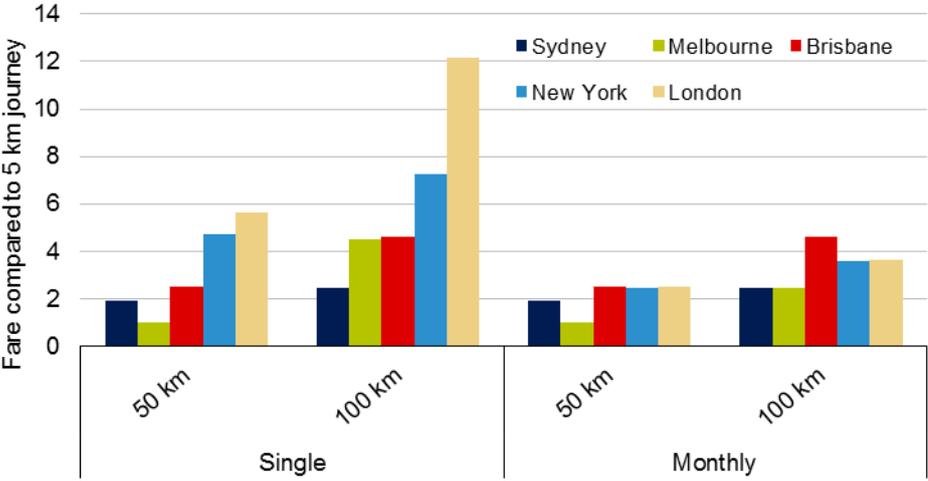
- ▼ Fares in Brisbane are 30% more for a 50 km single journey to and from the CBD, and almost double for a 100 km journey.
- ▼ Fares in Melbourne for a 50 km single journey to and from the CBD are cheaper than in Sydney by around 40%. However, once distances exceed this Melbourne fares are substantially higher than Sydney fares – a 60 km single journey in Melbourne is 60% more than in Sydney, and double for a 100 km journey.

Long distance rail fares for Australian cities (2015)



In Sydney, a 50 km single journey on a train is around twice as much as a 5 km journey. The fare for a 100 km train journey is only 2.5 times as much as a 5 km journey, even though the passenger has travelled 20 times as far. In London and New York, the ratios are much higher – a 100 km single train journey in New York is 7 times as much as a 5 km metro journey, and in London it is around 12 times more expensive.

Long distance train fare compared to a 5 km journey



Note: A sample of stations are used for New York and London long distance fares.