

## IPART RELEASES DETERMINATIONS ON FARES FOR NEWCASTLE BUS AND FERRY SERVICES FROM 3 JANUARY 2010

**Embargoed until Monday 14 December 2009 1.00 pm**

The Independent Pricing and Regulatory Tribunal (IPART) today released its determinations on Newcastle bus and ferry fares.

Fares for the Stockton Ferry will not change in January 2010, as IPART approved no fare increase for this service this year.

On 3 January 2010, bus fares will rise on average by 3.4 per cent. The determination applies for the next four years - fares will rise by a total of 6 per cent plus inflation over this period.

The bus fare rises also apply to Sydney metropolitan and other outer metropolitan areas including the Hunter, Blue Mountains and Wollongong.

Under IPART's determination, bus fares will increase by slightly more than the rate of inflation in each of the coming four years. In total across these regions, the 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.

The final determination on bus fares is largely unchanged from IPART's draft determination released in October this year.

More specifically the price of:

- ▼ **Time-based fares** will increase by between 10 and 30 cents on 3 January 2010 and 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 will increase by 70 cents on 3 January 2010 and between 90 cents and \$1.00 in January of each year over the subsequent 3 years.
- ▼ **Stockton Ferry** single trip will not change until 2011.

Acting Chairman and CEO of IPART, Mr James Cox said "The Tribunal 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.

"Bus services provide direct benefits to passengers. But 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 final determination and report on bus fares, *Review of fares for metropolitan and outer metropolitan bus services* are available on IPART's website <<http://www.ipart.nsw.gov.au>>.

The determination and report on Stockton ferry fares, *Review of fares for private ferry services and the Stockton ferry service for 2010* are also available at <<http://www.ipart.nsw.gov.au>>.

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