

RURAL AND REGIONAL BUS FARES FROM 1 JANUARY 2013

Embargoed until Tuesday 17 December 2012

The Independent Pricing and Regulatory Tribunal (IPART) today released its final report and determination on rural and regional bus fares. The determination applies to all areas of NSW other than the Sydney metropolitan and outer metropolitan regions (Blue Mountains, Hunter, Newcastle and Wollongong).

From 1 January 2013, maximum fares for rural and regional bus services will rise on average by 3.3%. Maximum fares for short, single section journeys will not change. Maximum fares for most passengers travelling no more than 70 sections (110km) will increase by between 10 and 30 cents. However, fares for longer journeys will increase by up to 80 cents.

For the first time, we have also determined maximum fares for journeys of 71 to 220 sections (around 350km) that are provided under rural and regional bus service contracts. For these longer journeys, we expect fares to increase by between 90 cents and \$1.80 per journey, depending on the distance travelled.

Bus operators may charge below the maximum fares that we determine. If operators who currently charge less than the maximum fares increase their fares to the maximum, then larger increases than those previously stated would occur.

The fare increases reflect increases in the cost of providing bus services during the past 12 months as measured by the Bus Industry Cost Index (BICI). The main costs contributing to the 3.3% increase in the BICI over the past year were fuel prices and wage growth. Insurance costs also rose significantly. We have made an allowance to enable bus passengers to receive some of the benefits of expected productivity improvement in the bus industry.

Chief Executive Officer, Mr Jim Cox said: "The majority of passengers travel for journeys of no more than 10 sections. If you travel one section there will be no change in your fare. Fares for most other passengers will increase by 10 to 30 cents per trip.

IPART has made a determination for 5 years. Annual changes in fares during this period will be based on the change in the BICI for the previous year. We may however make a new determination earlier than this if there is a major change in industry costs or circumstances.

"A 5-year fare determination will reduce compliance and administration costs incurred by all stakeholders including the bus industry and IPART" Mr Cox said.

The final report *Rural and regional bus fares from January 2013* and determination is available on IPART's website <<http://www.ipart.nsw.gov.au>>.

For further information, contact:

James Cox PSM, Chief Executive Officer and Full Time Member T (02) 9290 8420