

Media release

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SUBSTANTIAL FARE REDUCTIONS PROPOSED TO GET MORE LOCALS ON BUSES

The Independent Pricing and Regulatory Tribunal (IPART) is proposing substantial reductions in rural and regional bus fares to encourage greater use of public transport.

Draft recommendations released today for public comment propose cutting adult fares by an average of around 25% and introducing daily fare caps to make bus travel more affordable and improving community access for people with limited transport options.

Under the draft recommendations, in 2018:

- No passenger would pay more than they currently do. Maximum fares for journeys up to 3 km would remain the same as 2017.
- Maximum fares for the most common bus journeys (between 2 and 10km), would fall by up to \$3.50.
- Maximum fares for longer distance journeys (up to 60 km) would decrease by up to \$7.90
- Fares for frequent travel would fall with proposed new daily fare caps. For example, a passenger who makes a return 15 km journey, plus a return 3 km journey, would pay a maximum of \$12.10, compared to \$16.60 if they paid for all fares individually.
- All fares (including the RED ticket) increase by the change in the Consumer Price Index in 2019 and 2020.
- There would be no change to subsidised travel under the School Student Transport scheme (SSTS).

IPART Chair, Dr Peter Boxall, said most current fares discourage the use of bus services in regional and rural areas.

“We have found that the Government’s costs in providing rural and regional bus services are high, and the utilisation of these services is low,” Dr Boxall said.

“Half of all regular passenger services in regional and rural communities are operating at less than 10% full. The lack of passengers using these services means that each journey is costing taxpayers on average about \$20 in subsidies.

“Reducing maximum fares and introducing a daily ticket for most rural and regional bus journeys is designed to encourage more people to use rural and regional bus services, thereby improving value for money for taxpayers.”

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More information is available at ipart.nsw.gov.au

“We are also improving the equity between fares in rural and regional areas, those in metropolitan NSW and other states and territories.”

If adopted, the proposed new fare structure would apply to around 95 different operators providing bus services in the Hunter, Mid North Coast and Northern Rivers regions of NSW including Coffs Harbour, Port Macquarie and Tweed Heads. It would replace the current 220 different fares operating across regional and rural NSW with 10 fare bands covering distances from less than 1.6km to over 200km.

IPART is also recommending ways to improve the efficiency of rural and regional bus services by proposing flexible, on demand services in place of some high-cost, low patronage fixed route bus services.

Feedback is also being sought on a proposal that bus operators be able to charge a surcharge of up to \$5 for on demand bus services which have more flexible departure times, pick-up and drop-off points and routes. In the longer term, Government could consider a mix of transport services in rural and regional areas - bus, ride share, taxi and community transport - to better meet the needs of changing populations.

Dr Boxall said the proposed new fares would also help overcome difficulties using bus services across state borders as they would be more closely aligned to those in other states.

IPART is recommending a trial booked service to improve service frequency and connections at the Tweed interchange.

A full copy of the draft report and recommendations is available at ipart.nsw.gov.au.