

Report on the Determination of Fares for Sydney Metropolitan Bus Services

From 3 January 2006



IPART

**INDEPENDENT PRICING AND
REGULATORY TRIBUNAL**
of New South Wales

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From 3 January 2006

Determination 12 2005

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Determination No 12, 2005

Sydney Metropolitan Bus Services

**Independent Pricing and Regulatory Tribunal
of New South Wales**

Reference No: 05/42

1. Background

- (a) Section 28J(2) of the *Passenger Transport Act 1990*, permits the Tribunal to conduct investigations and make reports to the Minister on the determination of the maximum fares for Regular Bus Services supplied under a Service Contract (**Regulated Services**).
- (b) In investigating and reporting on the maximum fares for the Regulated Services, the Tribunal has had regard to a broad range of matters, including the criteria set out in section 28J(5) of the *Passenger Transport Act*.

2. Application of this determination

- (a) This determination fixes the maximum fares for Regulated Services.
- (b) This determination commences on the later of 3 January 2006 and the date that it is published in the NSW Government Gazette (**Commencement Date**).
- (c) The maximum fares in this determination apply from the Commencement Date to the date on which this determination is replaced.

3. Replacement of Determination No. 4 of 2004

This determination replaces so much of Determination No. 4 of 2004 which applies to STA Sydney Buses from the Commencement Date. The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under Determination No. 4 of 2004 prior to its replacement.

4. Monitoring

The Tribunal may monitor the Regulated Services for the purposes of:

- (a) establishing and reporting on the level of compliance of those services with this determination; and
- (b) preparing a periodic review of pricing policies for those services.

5. Schedules

Schedules 1, 2 and 3 and the Tables in those schedules set out the maximum fares for Regulated Services.

6. Definitions and Interpretation

Definitions and interpretation provisions used in this determination are set out in Schedule 4.

Schedule 1

Maximum fares for single ride tickets

1. Application

This schedule sets the maximum fares for single ride tickets for the Regulated Services.

2. Maximum fares for single ride tickets

The maximum fares that may be charged for single ride tickets are set out in Table 1.

Table 1

Maximum fares for single ride tickets

Tickets	Maximum fares	
	Adult (\$)	Concession (\$)
Single ride fares		
1-2 Sections	\$1.70	\$0.80
3-5 Sections	\$2.80	\$1.40
6-9 Sections	\$3.70	\$1.80
10-15 Sections	\$4.50	\$2.20
16+ Sections	\$5.40	\$2.70

Schedule 2

Maximum fares (other than fares for single ride tickets) charged by STA Sydney Buses

1. Application

This schedule sets the maximum fares (other than fares for single ride tickets) that STA Sydney Buses may charge for Regulated Services.

2. Maximum fares (other than fares for single ride tickets)

The maximum fares (other than fares for single ride tickets) that may be charged by STA Sydney Buses for a ticket in column 1 of Table 2 are the corresponding fares in columns 2 and 3 of Table 2.

Table 2

Maximum fares (other than fares for a single ride ticket) charged by STA Sydney Buses

Tickets	Maximum fares	
	Adult (\$)	Concession (\$)
TravelTen		
1-2 Sections	\$13.60	\$6.80
3-5 Sections	\$22.40	\$11.20
6-9 Sections	\$29.60	\$14.80
10-15 Sections	\$36.10	\$18.00
16+ Sections	\$44.20	\$22.10
TravelPass – Bus and Ferry, Bus only		
Blue	\$30.00	\$15.00
Orange	\$37.00	\$18.50
Pittwater	\$51.00	\$25.50
2 Zone	\$30.00	\$15.00
TravelPass – Bus, Ferry and Train		
Red	\$32.00	\$16.00
Green	\$40.00	\$20.00
Yellow	\$44.00	\$22.00
Pink	\$47.00	\$23.50
Purple	\$54.00	\$27.00
Other tickets		
BusTripper	\$11.30	\$5.60
DayTripper	\$15.00	\$7.50
Sports Special	\$5.00	\$2.50
School Term Pass		\$40.00

Schedule 3

Maximum fares (other than fares for single ride tickets) charged by Western Sydney Buses

1. Application

This schedule sets the maximum fares (other than fares for single ride tickets) that Western Sydney Buses may charge for Regulated Services.

2. Maximum fares (other than fares for single ride tickets)

The maximum fares (other than fares for single ride ticket) that may be charged by Western Sydney Buses for a ticket in column 1 of Table 3 are the corresponding fares in columns 2 and 3 of Table 3.

Table 3

Maximum fares (other than fares for single ride tickets) charged by Western Sydney Buses

Tickets	Maximum fares	
	Adult (\$)	Concession (\$)
T-way 10		
1-2 Sections	\$14.10	\$7.00
3-5 Sections	\$23.80	\$11.90
6-9 Sections	\$31.70	\$15.80
10-15 Sections	\$37.90	\$18.90
16+ Sections	\$45.70	\$22.80
T-way bus plus weekly		
1-2 Sections	\$12.70	\$6.30
3-5 Sections	\$23.70	\$11.80
6-9 Sections	\$33.70	\$16.80
10-15 Sections	\$48.40	\$24.20
16+ Sections	\$61.50	\$30.70
T-way weekly		
North Zone	\$33.70	\$16.80
South Zone	\$33.70	\$16.80
North + South Zone	\$61.50	\$30.70

Schedule 4

Definitions and Interpretation

1. Definitions

1.1 General definitions

In this determination:

Commencement Date means the Commencement Date as defined in clause 2(b) of section 1 (**Background**) of this determination.

GST means the Goods and Services Tax as defined in *A New Tax System (Goods and Services Tax) Act, 1999*.

Passenger Transport Act means the *Passenger Transport Act, 1990*.

Regular Bus Service has the meaning given to that term in the Passenger Transport Act.

Regulated Services means the services defined in clause 1(a) of section 1 (**Background**) of this determination.

Service Contract has the meaning given to that expression in section 16 of the Passenger Transport Act and entered into for the provision of a Regular Bus Service for a Sydney Metropolitan Contract Region or Sydney Metropolitan Contract Regions.

STA means the State Transit Authority of New South Wales constituted under the *Transport Administration Act 1988*.

STA Sydney Buses means the Sydney Buses business owned and operated by the STA.

Sydney Metropolitan Contract Region means region 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 or 15, each identified in attachment A to this determination.

Western Sydney Buses means the body corporate constituted under section 33 of the *Transport Administration Act 1988* and the *Transport Administration (General) Amendment (Western Sydney Buses) Regulation 2002* to operate the Liverpool-Parramatta Transitway Services.

2. Interpretation

2.1 General provisions

In this determination:

- (a) headings are for convenience only and do not affect the interpretation of this determination;
- (b) a reference to a schedule, annexure, clause or table is a reference to a schedule, annexure, clause or table to this determination;
- (c) words importing the singular include the plural and vice versa;

- (d) a reference to a law or statute includes all amendments or replacements of that law or statute; and
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation, other body corporate or government agency.

2.2 Explanatory notes

Explanatory notes do not form part of this determination, but in the case of uncertainty may be relied on for interpretation purposes.

2.3 Fares inclusive of GST

Fares or charges specified in this determination include GST.

Attachment A
Sydney Metropolitan Contract Regions



Report No 12, 2005

Sydney Metropolitan Bus Services

**Independent Pricing and Regulatory Tribunal
of New South Wales**

Reference No: 05/42

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1 INTRODUCTION

The Independent Pricing and Regulatory Tribunal of New South Wales (the Tribunal) has completed its 2005 review of fares for Sydney metropolitan bus services. Those services encompass all regular passenger bus services offered by private operators and Sydney Buses in the Sydney metropolitan region. That region, for the purposes of this determination, includes the 15 metropolitan bus contract regions of Sydney and the Liverpool to Parramatta Transitway. This is the first time that the Tribunal has determined the maximum fares for private metropolitan bus operators.

Based on this review, the Tribunal has determined the maximum fares that Sydney metropolitan bus operators on Metropolitan Bus Service Contracts and the Transitway can charge for public transport services from 3 January 2006.

1.1 Overview of determination

In its previous determination¹ the Tribunal, in conjunction with the Ministry of Transport, aligned the single ticket prices charged on public and private buses in metropolitan Sydney. This was part of an ongoing bus reform program in NSW initiated by the Government. It was a major initiative and the Tribunal considers maintenance of a uniform fare scale for public and private buses to be of paramount importance.

In this determination, therefore, the Tribunal has ensured that single fares for all metropolitan bus services remain aligned despite divergences in costs and apparent levels of efficiency between Sydney Buses and private operators.

The Tribunal has determined that single ticket fares for Sydney metropolitan bus services should increase by between 10 and 20 cents per ticket. The average increase in single tickets is around 4.5 per cent.

In addition, the Tribunal has decided to:

- reduce the discounts on Sydney Buses' TravelTen tickets to a maximum of 20 per cent
- increase the price of Sydney Buses' two mode (bus and ferry) TravelPasses by between \$1.00 and \$2.00
- increase Transitway 10 fares and Transitway weekly fares by between 40 cents and \$2.10
- round the new fares for all single and ten-trip tickets and weekly tickets upwards or downwards to the nearest 10 cents and all adult TravelPass tickets to the nearest dollar. (All concession tickets will be rounded so that they are not more than half the corresponding full adult fare.)

¹ IPART, *Report on the Determination of fares for State Transit Authority*, December 2004.

The Tribunal has decided on this increase because:

- costs in the bus industry have continued to increase since the Tribunal's last determination
- the Tribunal has concluded that there is scope for efficiency improvement in the metropolitan bus industry, especially for Sydney Buses, and has determined fares in the expectation that efficiency will be improved
- there have been some improvements in service quality although the picture here is mixed
- a small fare increase will not have significant adverse effects on passengers or the environment.

The changes in maximum prices for adult fares charged by Sydney metropolitan bus operators that will result from these decisions are outlined below.

1.1.1 Changes in Sydney Buses' fares

For Sydney Buses, the maximum fares for:

- Single tickets will rise by between 10 and 20 cents.
- TravelTen tickets will rise by between zero and \$1.70 (that is by between zero and 17 cents per trip).
- Two mode (bus and ferry) TravelPass tickets will rise by either \$1.00 or \$2.00. There will be no change to three mode (bus, rail and ferry) TravelPass prices.
- The BusTripper ticket will rise by 40 cents to \$11.30 and the Daytripper ticket will remain unchanged.
- The Sports Special return fare will remain at \$5.00 and the School Student Term Pass will remain at \$40.

1.1.2 Changes in Sydney metropolitan private bus fares

For private bus operators on Metropolitan Bus Service Contracts, the maximum fares for single tickets will rise by between 10 and 20 cents.

1.1.3 Changes in Transitway services fares

For Transitway services, the maximum fares for:

- Single tickets will rise between 10 and 20 cents.
- Transitway 10 tickets will rise by between 50 cents and \$1.50 (that is, a rise of between 5 and 15 cents per trip).
- Transitway bus plus weekly tickets will rise by between 40 cents and \$2.10.
- Transitway weekly tickets will rise by between \$1.10 and \$2.10.

1.2 Structure of report

This report explains the Tribunal's determination in detail, including why it reached its decisions and what those decisions mean for the bus operators, metropolitan bus passengers, the community in general and the environment. It is structured as follows:

- Chapter 2 explains the scope of the determination and the Tribunal's review process
- Chapters 3 and 4 discuss two of the major factors the Tribunal considered in making its pricing decisions – the bus operators' costs and cost efficiency in providing the services concerned, and the service quality that they deliver
- Chapter 5 explains how the Tribunal applied its pricing decisions to determine the new fares for each ticket type
- Chapter 6 discusses the impact of the determination on metropolitan bus operators, their passengers, the environment and government funding

2 TRIBUNAL'S REVIEW PROCESS

As a result of legislative changes in 2004, the Tribunal has made its 2005 determination on fares charged by all Sydney metropolitan bus operators under section 28J of the *Passenger Transport Act 1990* (PTA). As noted in the previous chapter, the present determination applies to both Sydney Buses and private bus operators in the Sydney metropolitan area.

In making its determination, the Tribunal has had regard to each of the matters it is required to consider under the PTA. It also took into account a letter from the then Premier dated 18 May 2004, which asked it to consider a range of matters raised in the 2003 Ministerial Inquiry into Sustainable Transport² as part of its fare reviews. In addition, the Tribunal considered the pricing proposal submitted by the Ministry of Transport (MoT).

The scope of the determination, and the Tribunal's review process are outlined in more detail below.

2.1 Scope

The Tribunal's role in regulating Sydney metropolitan bus fares is to set the maximum fares that can be charged for services on regular passenger routes provided by Sydney Buses and private bus operators operating in the Sydney metropolitan contract regions, and along the Liverpool to Parramatta Transitway.

Because the Tribunal regulates regular passenger services only, its determinations explicitly exclude services that are deemed to fall outside the definition of regular passenger services, such as charter services. In addition, because the Tribunal does not set the State Government's social policy, its determination excludes the Pensioner Excursion Ticket. Any change to this fare is a matter determined by the Government.

2.2 Tribunal's review process

The Tribunal's review process included undertaking its own research and analysis, and conducting public consultation. As part of this review, the Tribunal:

- invited the Ministry of Transport (MoT) to make a submission to the review, including a proposal how fares should change
- invited other interested parties to make submissions, and received 26 written responses (see Appendix 3 for a list of respondents)
- collected detailed information on operators' costs, revenues, performance and other matters from the State Transit Authority (STA), the Bus and Coach Association (BCA) and the MoT
- held a public hearing on 28 October 2005 and invited some of the parties who made submissions to discuss relevant issues (see Appendix 3 for a list of participants).

The Tribunal then considered MoT's submission, which asked the Tribunal to consider determining a fare rise above the Consumer Price Index (CPI) on the grounds that Sydney

² Widely known as the Parry Inquiry and the report of the Ministerial Inquiry as the Parry Report after the former chairman of the Independent Pricing and Regulatory Tribunal, Dr Thomas Parry.

Buses has achieved a number of service improvements. It also considered the issues raised in other stakeholder submissions and the public hearing, and analysed the information it obtained from STA, BCA and MoT.

In addition, the Tribunal considered the matters outlined in section 28J of the Passenger Transport Act. These matters, which are listed in full in Appendix 1, relate to:

- consumer protection—protecting consumers from abuses of monopoly power; standards of quality, reliability and safety of the services concerned; social impact of decisions
- economic efficiency—the need for greater efficiency in the supply of services
- financial viability—the cost of providing the services and the extent to which revenue recovers this cost
- environmental protection—the need to promote ecologically sustainable development via appropriate pricing policies.

The Tribunal also considered each of the issues raised in the Premier's letter (see Appendix 2) including:

- making determinations based on five-year price paths
- making fare increases up to the CPI subject to operators achieving efficiency gains
- making fare increases above the CPI subject to operators delivering clearly demonstrated customer benefits through improvements in service quality linked to specific initiatives.

Finally, the Tribunal took into account its decision as part of last year's determination to harmonise bus fares within the Sydney metropolitan region, which established the principle of identical fares for tickets that are common to public and private bus operators.

3 METROPOLITAN BUSES' COSTS AND EFFICIENCY

One of the main factors the Tribunal considered in making its 2005 fare determination for Sydney metropolitan bus services was the cost of providing the services concerned. Section 28J of the PTA requires the Tribunal to consider this cost, as well as the need to improve efficiency. The Premier's letter also asked the Tribunal to consider making fare increases up to the CPI subject to operators improving their efficiency.

The Tribunal analysed the detailed financial information provided to it by the STA, the BCA and MoT to assess the trends in operators' costs, revenues, cost recovery levels and efficiency. However, because of the limited information available to it on private bus operators, most of its analysis relates to Sydney Buses.

The Tribunal notes that the STA provided no information on efficiency measures or efficiency targets to the 2005 review. However, it indicated that it would be seeking to achieve efficiency gains in the coming year.³ The Tribunal expects appropriate measures of efficiency and the gains made during 2005/06 to be submitted for consideration at the next review.

The Tribunal's analysis in relation to Sydney Buses' costs, revenue, cost recovery and efficiency and private bus operators' costs and efficiency is discussed below.

3.1 Sydney Buses' costs

The total cost of operating Sydney Buses was almost \$420m in 2004/05 (Table 31). The largest cost items were labour (which comprised two-thirds of total costs), vehicle running costs including fuel, registration and third party insurance, and vehicle depreciation.

Table 3.1 Sydney Buses costs

	2002/03 Actual \$000s	2003/04 Actual \$000s	2004/05 Forecast \$000s	% change 03/04 to 04/05	ave % change 01/02 to 04/05
Labour	230,353	236,958	262,071	10.6%	6.2%
Fuel/Fleet running costs	50,311	52,824	59,089	11.9%	6.2%
Vehicle registration, insurance	7,739	7,162	12,040	68.1%	-2.7%
Other costs ¹	28,825	32,329	34,458	6.6%	10.1%
Corporate overheads	33,235	33,463	27,749	-17.1%	0.1%
Total operating costs²	350,463	362,736	384,250	5.9%	4.7%
Depreciation	27,597	27,885	27,645	-0.9%	0.1%
Interest	1,503	1	5,523	(large)	-10.6%
Total costs²	379,563	390,622	417,418	6.9%	4.8%

Source: STA financial data 2005 and letter of 30 September 2005. Although 2004/05 is shown as 'forecasts' the numbers are based on actual figures and final outcomes are not expected to differ significantly.

Note 1: "Other" costs includes security costs, commissions paid to ticket sellers and the costs of printing tickets and timetables.

Note 2: Some one-off costs were incurred in 2004/05 that were associated with the absorption of Harris Park Transport Company into the STA network. The Tribunal does not have sufficient information to net these costs from the sub-components but has netted them out of total operating costs and total costs.

³ Public Hearing Transcript, p 14, ln 33ff.

The main factor driving the increase in operating costs was a 5.3 per cent rise in labour costs (excluding costs associated with the Harris Park Transport Company). The STA indicated that Sydney Buses' drivers' wages were increased by 4.6 per cent under the relevant Award, and its index of labour cost per employee rose 6.5 per cent. The fuel component of vehicle running costs also increased substantially. However, while the price of the diesel purchased by the STA rose by 21.9 per cent, the actual increase in fuel costs was contained by the STA's fuel hedging strategy.

3.2 Sydney Buses' efficiency

To help it understand recent trends in Sydney Buses' efficiency, the Tribunal undertook its own multifactor productivity analysis, using financial data supplied by the STA to the 2005 and previous reviews. It also undertook partial productivity analysis, and considered Sydney Buses' performance against its financial key performance indicators.

3.2.1 Multi-factor productivity analysis

The Tribunal constructed a multi-factor productivity (MFP) index for Sydney Buses for the period 1992/93 to 2003/04 using the following information:

- labour inputs, using the number of full-time equivalent (FTE) employees
- capital inputs, using the number of buses (ie fleet size)⁴
- material inputs, using the value of expenditure on fuel, tubes and tyres deflated by the ABS price indices for automotive fuel and 'automotive parts and accessories' respectively⁵
- output, using the number of passenger journeys (both unchanged and adjusted for vehicle kilometres per passenger trip).

The MFP index indicates that Sydney Buses' MFP trends over this period varied, depending on the adjustments made for changes in the quality of Sydney Buses outputs. The Tribunal considered two 'quality-related' adjustments.⁶ The first involved using maintenance costs as a rough proxy for improvements in bus quality⁷. The second involved adjusting the number

⁴ Fleet size was used as a proxy for capital inputs, based on the fact that buses represented about 65 percent of Sydney Buses' fixed assets (excluding inventories) over the period. An alternative capital measure - the book value of assets adjusted for periodic revaluations - gave very similar MFP results.

⁵ An index of diesel prices over the full period was not available.

⁶ It is important to make adjustments for service quality if a true picture of productivity is to be obtained. For example, a report by Indec Consulting (Indec Consulting, *Cost Efficiency Review 2003*, prepared for the STA, July 2002) found that the increased levels of comfort, passenger security and environmental friendliness incorporated into newer-model buses involve greater maintenance costs. Unless MFP analysis is adjusted, these extra maintenance costs would bias productivity estimates downwards. Similarly, it might be argued that the observed increase in vehicle kilometres per passenger trip (from 0.36kms in 1992/93 to 0.42kms in 2003/04) has arisen at least in part due to the need to lay on extra buses as a response to increased levels of congestion. That is, without the extra buses, service quality levels (in the form of bus frequency and punctuality) would have fallen due to the worsening exogenous environment (increased congestion). It is therefore necessary to adjust the MFP analysis to ensure that the extra vehicle kilometres per passenger trip are not interpreted as a reduction in productivity.

⁷ Maintenance costs were excluded from the MFP calculations that follow so that MFP would be measured assuming a constant level of service quality.

of passenger journeys for vehicle kilometres per passenger trip as a proxy adjustment for the increased congestion that Sydney Buses has faced over the period.⁸

Having made these adjustments, the Tribunal found that Sydney Buses' productivity increased between 1992/93 and 2003/04 overall (Figure 3.1). Using this quality-adjusted measure, the average rate of this increase was 0.6 per cent per year.

Figure 3.1 Multi-factor productivity index for Sydney Buses (including "service quality" adjustments)

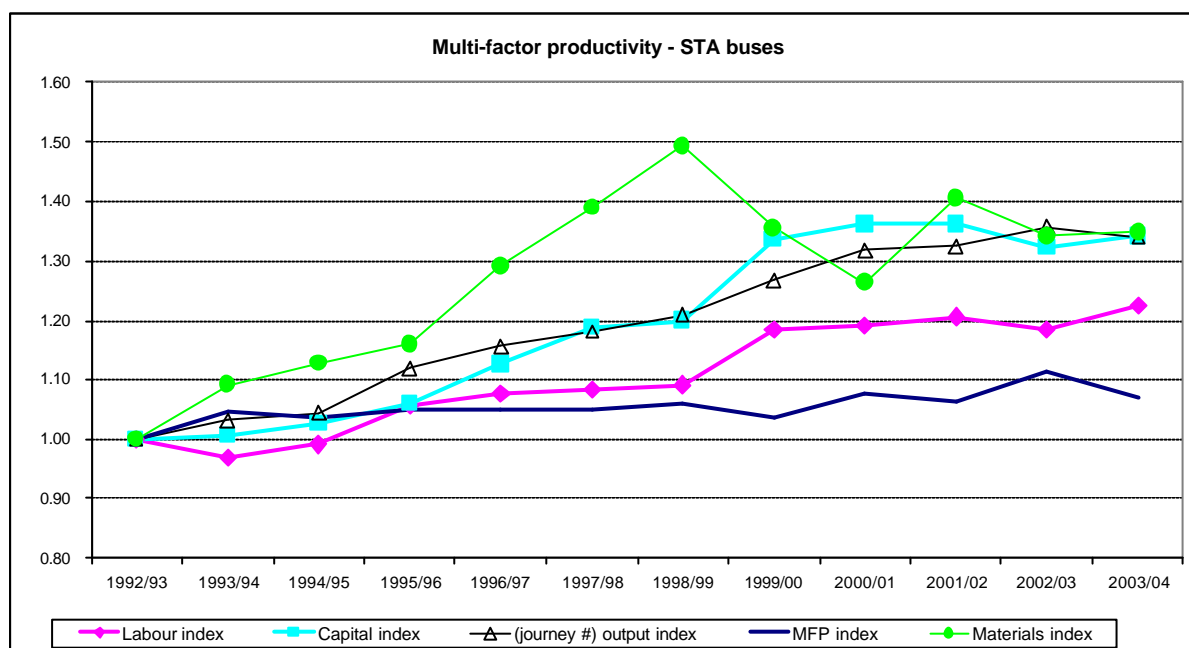


Figure 3.1 suggests that labour productivity has increased significantly, with 22 per cent more FTE employees in 2003/04 providing 34 per cent more (distance adjusted) passenger journeys. Capital productivity has remained fairly stable in recent years, with minor variations as the fleet size is adjusted to demand with leads and lags. The variations observed in material productivity may be partly due to the indexation method used⁹ rather than due to actual productivity variations, so that the overall trend seems to be one of fairly constant productivity for materials in recent years. Since labour costs constitute about 75 per cent of the total costs included in the MFP analysis, this implies that overall 'quality adjusted' productivity has improved over the period. Note that it is important to consider overall trends rather than to focus on particular year to year changes in the MFP index.

The Tribunal recognises that there are several limitations to its MFP analysis, and considers that 0.6 per cent average annual increase in MPF suggested by this analysis is likely to be

⁸ It should be noted that both "quality" adjustments are rough proxies only, so that the robustness of the resulting analysis is limited. For example, it could well be argued that not *all* the increase in maintenance costs is likely to have arisen due to a higher quality bus fleet, and that not *all* the increase in vehicle kilometres per passenger trip has arisen due to increased congestion levels. To the extent that this is true, the MFP analysis could be "over-correcting" for service quality, suggesting a higher productivity change than has actually been the case.

⁹ Petrol prices had to be used rather than diesel/gas prices, due to data availability constraints – again this places a limitation on the robustness of the analysis.

towards the top of the possible range of MFP estimates for Sydney Buses. On balance, it considers that this analysis suggests that Sydney Buses has improved its productivity in recent years, but the magnitude of this improvement is likely to be quite small, and certainly smaller than those observed in the economy as a whole.¹⁰

3.2.2 Partial productivity analysis

Another way in which cost efficiency trends can be measured is by using partial productivity analysis, which examines costs per unit of output.¹¹ Partial productivity analysis has several limitations - for example, it does not consider all inputs and outputs in combination, and does not allow for differences/changes in operating environments that can impact on costs. However, it provides a readily understandable and easily measurable indicator, and can be constructed with relatively limited data.

Using this approach, the Tribunal assessed changes in Sydney Buses' cost efficiency by looking at, for example, the changes in its operating costs per vehicle kilometre travelled and its operating costs per passenger kilometre travelled over recent years (see Figures 3.2 and 3.3).

Operating cost per kilometre travelled is operating costs as defined by STA¹² divided by total vehicle kilometres travelled. Vehicle kilometres rose 1.9 per cent to 80.5m in 2004/05 (excluding Harris Park Transport).

To do this analysis, the Tribunal used the information contained in Sydney Buses' financial accounts. The data supplied to the Tribunal indicated that Sydney Buses' operating costs per vehicle kilometre travelled rose very sharply in 2004/05. However, the STA indicated that this was misleading, as this data included a number of one-off factors "that are not part of the ongoing provision of bus services in Sydney"¹³. After adjusting to remove the effects of these factors, the Tribunal found that Sydney Buses' operating costs per vehicle kilometre travelled had increased by 4.0 per cent in 2004/05, which is significantly higher than the 2.5 per cent rise in the CPI. Sydney Buses' operating costs per passenger kilometre travelled have shown similar trends to operating costs per vehicle kilometre in recent years.

These increases in costs per unit of output imply that the rise in Sydney Buses' unit costs has overwhelmed any improvements in productivity that it may have achieved in 2004/05. However, this assumes that no improvements in service quality have occurred. Changes in service quality are discussed in Chapter 4.

¹⁰ ABS multi-factor productivity estimates, adjusted for business cycle fluctuations, suggest, on average, long term (1964-2000) productivity increases in the economy as a whole of at least 1 percent *per annum*, with data for more recent years showing increases somewhat greater than this. (Source - ABS - *Australian System of National Accounts - 5204.0 - 2004-05* - Tables 22 and 23.)

¹¹ If costs per unit of inputs rose, say, 5 per cent, and productivity (consistently measured) rose 5 per cent, costs per unit of output would remain unchanged. If productivity measures are unavailable, some useful information about efficiency (but not costs per unit of input and productivity separately) can still be gleaned from movements in costs per unit of *output*.

¹² Operating cost as defined by the agencies excludes depreciation and interest.

¹³ STA letter to the Tribunal 30 September 2005.

Figure 3.2 Sydney Buses' operating cost per vehicle km travelled

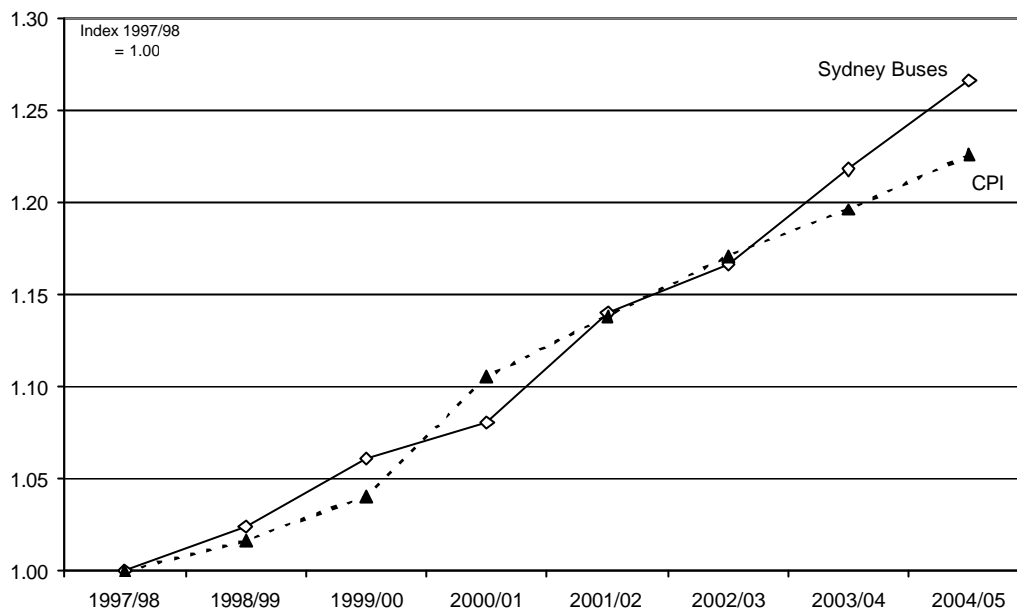
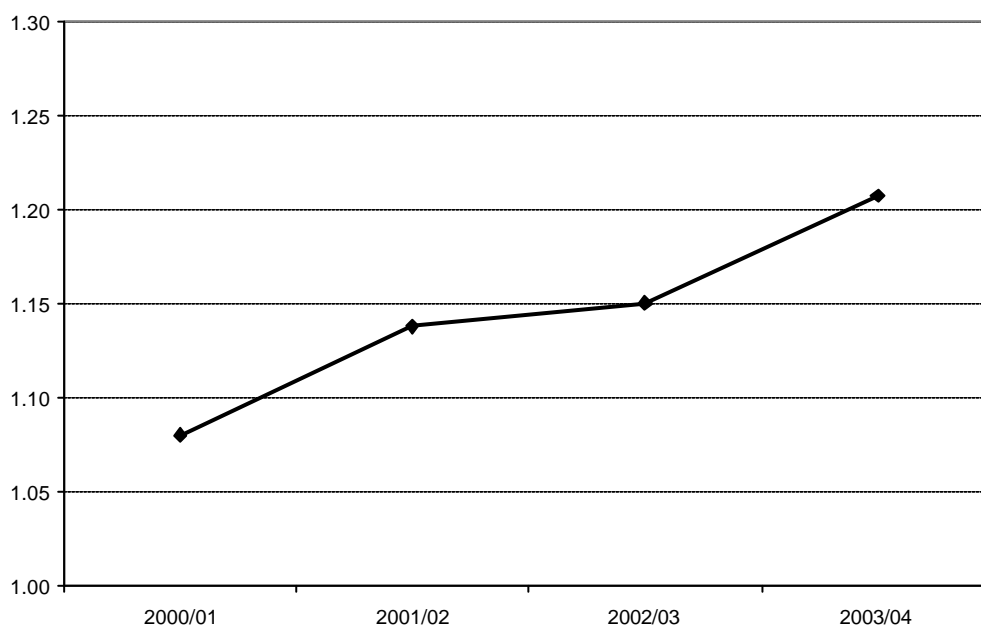


Figure 3.3 Operating cost per passenger revenue km



Sources for Figures 3.2 and 3.3: STA financial data and ABS. The index in Figure 3.3 is comparable to the index in Figure 3.2.

3.2.3 Cost comparisons for Sydney Buses and private operators

The Tribunal notes that private bus operations are generally run more cost efficiently than Sydney Buses. For example, the 2003 Ministerial Inquiry into Sustainable Transport compared the costs of private operators and Sydney Buses and found that Sydney Buses' costs were significantly higher (Table 3.2).

Table 3.2 Sydney Buses' and Private bus operators' costs, 2001/02

	Sydney Buses	Private operators	Difference
Bus hourly cost element	\$/hr	\$/hr	%
Wages	30.77	21.65	42.1
Wages on-costs	6.38	3.44	85.5
Bus hourly cost	37.16	25.09	48.1
Bus kilometre cost element	\$/km	\$/km	%
Wages and on-costs	0.29	0.13	123.1
Other bus kilometre costs	0.65	0.49	32.7
Bus kilometre cost	0.94	0.62	51.6
Bus overhead cost element	\$/hr	\$/hr	%
Salaries and on-costs	9.47	4.54	108.6
Other overhead costs	10.30	7.24	42.3
Bus overhead cost	19.76	11.78	67.7
Capital costs	\$/bus	\$/bus	%
Bus	13,396	11,261	20.0
Non-bus	3,800	2,716	39.9
Total capital cost	17,196	13,977	23.0

Source: Ministerial Inquiry into Sustainable Transport, Final Report p 24, drawing on STA data and private operator data from Phase 1 Financial Viability Study of Private Commercial Contract Holders in Sydney, Newcastle and Wollongong by INDEC consulting 2003.

Although this comparison does not correct for wage and employment conditions and road congestion, both of which apparently result in higher costs for Sydney Buses,¹⁴ the wide gaps between the two sets of data suggest that there is less scope for private operators to make efficiency gains than there is for Sydney Buses.

The Tribunal understands that more directly comparable data between government-owned and private buses will be available once the new bus reform structure and performance measuring systems are in place across the metropolitan area. Such data should prove particularly helpful to the Tribunal, assisting it to make a more robust assessment of efficiency and efficiency gains in future reviews.

3.2.4 Financial key performance indicators

The STA publishes a set of financial key performance indicators (KPIs) for Sydney Buses in its Annual Report (Table 3.3). The KPIs that are expressed in dollars are adjusted so that they can be compared across the years undistorted by inflation.

¹⁴ At the public hearing, Acting Chief Executive Wilson gave examples of how rising traffic congestion and security issues affect Sydney Buses' costs. Transcript p12-13, ln 36ff.

Table 3.3 Sydney Buses' financial key performance indicators

	2000/01	2001/02	2002/03	2003/04	2004/05
Sydney Bus Services					
Total revenue (000s)	\$388,961	\$396,214	\$427,219	\$427,644	\$441,438
Total expenses (000s)	\$391,772	\$406,962	\$404,212	\$395,961	\$425,934
Patronage (000s)	195,380	187,307	187,288	187,223	186,486
Kilometres (000s)	77,444	78,852	77,426	78,593	78,993
Staff	3,638	3,682	3,621	3,734	3,810
Inflation-adjusted revenue per passenger	\$1.99	\$2.12	\$2.28	\$2.28	\$2.37
Inflation-adjusted revenue per Km	\$5.02	\$5.02	\$5.52	\$5.44	\$5.59
Passengers per vehicle Km	2.5	2.4	2.4	2.4	2.4
Inflation-adjusted cost per passenger	\$2.01	\$2.17	\$2.16	\$2.11	\$2.28
Inflation-adjusted cost per vehicle Km	\$5.06	\$5.16	\$5.22	\$5.04	\$5.39
Passengers per employee	53,705	50,871	51,723	50,140	48,946
Vehicle Km per employee	21,288	21,416	21,382	21,048	20,735

Note: all \$ figures are in 2004/05 dollars. Source: STA Annual Report 2004/05 p 93.

For 2004/05, Sydney Buses' total revenue from all sources (including Government funding⁵) for each kilometre travelled was \$5.59 and the cost of running those kilometres averaged \$5.39 per kilometre. However, the inclusion of Government CSO funding on the revenue side and non-operating costs on the cost side restricts the usefulness of the STA's financial performance indicators as indicators of passenger-related revenue and cost efficiency.

3.3 Sydney Buses' revenue

Sydney Buses' total revenue rose 5.9 per cent in 2004/05 (Table 3.4), largely due to a net increase in Community Service Obligation (CSO) payments made to it by the Government. Free and Concessional CSO payments decreased by \$17m, but Service CSO payments increased by \$34m. The STA informed the Tribunal that the Government's decision to increase the price of the Pensioner Excursion Ticket (PET) from \$1.10 to \$2.50 on 4 January 2005 resulted in a fall in Sydney Buses' sales of these tickets, and this resulted in a fall in the Concessional CSO payments associated with them. To compensate, and to cover some former under-funding of some non-commercial services, additional Service CSO payments were made.

In addition to these changes, revenue from regulated fares increased by 3.5 per cent. Revenue from fares not regulated by the Tribunal increased by 34.2 per cent, largely due to the increase in price of the PET and other fares or hirings. 'Other business revenue' fell by 28.1 per cent, primarily due to decreased revenue from advertising. The STA indicated to the Tribunal that it does not expect advertising revenue to improve in the coming year.

¹⁵ Sydney Buses receives Free and Concessional, Pricing and Service CSOs from Government.

Table 3.4 Sydney Buses' revenues

	2002/03 Actual \$000s	2003/04 Actual \$000s	2004/05 Forecast \$000s	% change 03/04 to 04/05	average % change 01/02 to 04/05
Passenger revenue – regulated fares	164,538	174,557	180,681	3.5%	3.4%
Passenger revenue – other fares	25,998	25,221	33,837	34.2%	7.8%
Total fare revenue	190,536	199,778	214,518	7.4%	4.1%
Free and Concessional CSO	118,247	127,998	111,087	-13.2%	-1.8%
Total passenger-related revenue	308,783	327,776	325,605	-0.7%	1.9%
Pricing CSO	36,959	39,799	40,566	1.9%	9.7%
Service CSO	32,554	23,192	56,683	144.4%	79.6%
Total transport-related revenue	378,296	390,767	422,854	8.2%	6.7%
Other business revenue	31,039	26,765	19,252	-28.1%	-4.4%
Total revenue	409,335	417,532	442,106	5.9%	6.1%

Source: STA financial data 2005. Columns may not add due to rounding

3.4 Sydney Buses' cost recovery

The Tribunal measures cost recovery by dividing relevant revenue by relevant costs (Table 3.5). Relevant revenue includes the revenue the service provider collects from passengers (farebox plus free and concessional revenue), or is reimbursed by Government for carrying certain passengers at less than full fare, or earns from other business activities (such as advertising revenue). It does *not* include CSO funding or general subsidies from Government that simply fund a gap when costs exceed revenues.

Relevant costs include the costs the service provider incurs in operating its passenger services – usually its cash operating costs plus depreciation and interest less the cost of asset disposals.

Table 3.5 Tribunal's measure of Sydney Buses cost recovery

Relevant revenue	Divided by	Relevant costs
<ul style="list-style-type: none"> Farebox Plus Free and Concession Reimbursements Plus other business revenue (except profits from asset disposals) 		<ul style="list-style-type: none"> Total costs (except costs of asset disposals) Less any efficiency savings

Using this approach, the Tribunal calculates that Sydney Buses' cost recovery ratio for 2004/05 was 82.6 per cent (Table 3.6). This ratio is lower than last year's cost recovery ratio of more than 90 per cent.

Table 3.6 Sydney Buses cost recovery

1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
99.9%	96.0%	94.1%	91.0%	91.4%	90.8%	82.6%

Source STA financial data and IPART calculations

One of the factors driving the fall in Sydney Buses' cost recovery ratio was the higher than average increase in its total costs in 2004/5, partly due to the one-off jump in the interest bill which resulted from the absorption of Newcastle Services' debt and some of Sydney Ferries' debt into STA.

Another factor was the structural shift in the composition of CSO payments that saw the \$17m reduction in Free and Concessional CSO payments. If these payments had remained the same as last year, Sydney Buses' cost recovery ratio would have been 86.7 per cent.

3.5 Private bus costs and efficiency

The Tribunal has not been provided with information on the absolute levels of costs in the private bus industry. However, it does regard the Bus Industry Cost Index (BICI) as indicative of the likely magnitude of input cost changes in the metropolitan private bus industry.

The BICI is discussed in some detail in the Tribunal's report to the Minister on non-metropolitan private bus fares.¹⁶ In essence, this index measures the change in the cost of a basket of goods and services considered to be representative of the costs of private bus operators in NSW. In 2004/05, the BICI rose 5.54 per cent.

One major weakness of the BICI is that it measures the change in costs per unit of input only. That is, it does not take into account the fact that productivity (defined as output per hour worked) has been rising in the Australian economy for as long as relevant data have been collected. For example, economy-wide labour productivity (measured by the rise in the volume of gross value added relative to total hours worked) has risen at an average annual pace of around 1.5 per cent over the past five years.¹⁷ The Tribunal considers that it is reasonable to assume that labour productivity will continue to rise.

Some economy-wide productivity gains would be reflected in the rises in the non-labour items in the BICI. However, labour productivity is not reflected in the BICI, so, ideally, the rise in labour input cost in the BICI should be adjusted for productivity gains in the metropolitan private bus industry of NSW.

Since no measure of these gains exists, the Tribunal considered using the five-year average economy-wide growth in labour productivity. However, to be conservative in estimating the likely growth in productivity in the metropolitan private bus industry over the recent past, it decided to adopt a 1.0 per cent productivity growth assumption. This reflects the fact that there may be less scope for productivity growth in the bus industry than elsewhere on average in the economy. It then applied this assumption to the labour component of operator costs. This resulted in a lower rise in labour cost per unit of output, and reduced the weighted average increase in costs to 5.02 per cent (Table 3.7).

¹⁶ IPART, *Report on Non-metropolitan Fares for Private Buses in NSW*, December 2005, section 3.1

¹⁷ The 1.5 per cent is the average of the annual increases in GDP per hour worked from 2000/01 to 2004/05. Source: ABS, *Australian National Accounts National Income, Expenditure and Product*, June Quarter 2005, Table 3.

Table 3.7 Productivity-adjusted BICI in 2004/05

	PWC Weights		Cost 30-Jun-2005	% change	Contribution to index
	Base % 01-Jul-04	Base Cost 01-Jul-2004			
BUS CAPITAL COSTS					
Mercedes 0405NH / 0500 Chassis		\$ 198,934	\$ 202,934		
Custom Coach Body		\$ 225,500	\$ 245,850		
Lease Interest (10 Year Bond Rate)		5.65%	5.42%		
Monthly Lease Payment	16.81	\$8,135.97	\$8,556.24	5.17	0.87
PEOPLE COSTS					
Award rate of Pay (incl D/C)	41.32	\$ 667.20	\$ 693.87	2.97	1.23
Occupational Superannuation	3.66	\$ 60.05	\$ 62.45	2.97	0.11
Pay Roll Tax - Wages	2.25	\$ 43.63	\$ 45.38	2.97	0.07
Workers Comp	2.35	\$ 38.00	\$ 40.31	5.04	0.12
Total	49.58				1.52
BUS INSURANCE & REGO					
Green Slips	2.00	\$ 2,661.00	\$ 2,642.50	-0.70	(0.01)
Comprehensive Insurance (per \$1000)	1.39	\$ 14.56	\$ 14.94	2.64	0.04
Registrations	0.68	\$ 907.00	\$ 918.00	1.21	0.01
Total	4.07				0.03
BUS LUBRICANTS					
Distillate	9.80	\$ 0.9117	\$ 1.0930	19.89	1.95
Total	9.80				1.95
BUS REPAIRS & MAINTENANCE					
Mercedes Major Service	4.74	\$ 1,356.83	\$ 1,426.86	5.16	0.24
Tyre List Price	1.06	\$ 697.40	\$ 718.30	3.00	0.03
Total	5.80				0.28
ALL OTHER COSTS - CPI	13.94	141.54	145.40	2.73	0.38
TOTAL COSTS	100.00				5.02

Sources: BCA and IPART calculations. Percentage changes may not sum to 5.02 due to rounding.

4 SERVICE QUALITY

Another of the main factors the Tribunal considered was the service quality metropolitan bus operators delivered over 2004/05, and whether this quality had changed since the previous year. The PTA requires the Tribunal to consider the standards of quality, reliability and safety in setting fares.

The Tribunal did not receive any detailed data on the service quality delivered by private bus operators. Therefore, it focused its analysis on Sydney Buses, particularly the overall level of service quality this agency provided during 2004/05. It also considered MoT's submission, which argued that there had been specific service improvements in Sydney metropolitan bus services during 2004/05.

The Tribunal anticipates that it will have data on private bus service quality for its next fare review as a result of reporting requirements in the new Metropolitan Bus Service Contracts.

4.1 Sydney Buses' service quality over 2004/05

In its submission, the MoT provided information on Sydney Buses' performance against a range of key performance indicators (KPIs) that relate to aspects of service quality, including reliability, safety, comfort, convenience, customer service and wheelchair accessibility (Table 4.1). This information indicates that Sydney Buses achieved many of its targets for these KPIs. However, its performance relative to 2003/04 improved in some areas (shown in **bold** type in the table below), and deteriorated in other areas (shown in *italics*).

Table 4.1 Sydney Buses' physical key performance indicators

KPI (target in brackets)	2000/01	2001/02	2002/03	2003/04	2004/05
Reliability					
On-time running (>95%)	96.1%	96.2%	95.9%	95.9%	<i>95.0%</i>
Service reliability (>99%)	99.5%	99.6%	99.4%	99.4%	99.4%
Mechanical reliability (<15 bus changeovers per 100,000 kms)	20.37	17.58	15.68	16.82	15.26
Traffic reliability (<4 changeovers per 100,000 kms)	5.54	4.63	4.28	2.65	3.98
Safety (per million passenger trips)					
Safety Incidents (<2.0)	1.54	1.44	1.75	1.67	<i>1.91</i>
Security Incidents (<1.0)	0.51	0.41	0.13	0.12	<i>0.60</i>
Personal Injury (<1.0)	1.28	1.22	0.94	0.85	N/A
Comfort					
Average Bus Age (<12 years)	11.7	11.7	12.2	13.0	12.8
Convenience					
Total kms '000s	77,444	78,852	77,426	78,593	78,993
Passenger revenue kms '000s	62,420	62,901	61,092	61,508	61,821
Customer Service					
Complaints per 10,000 trips (<1)	0.66	0.86	1.17	1.13	<i>1.19</i>
Accessibility					
Accessible buses (% of fleet)	21.7	26.7	28.5	29.4	34.7

Sources: For 2000/01 to 2003/04 Ministry of Transport 2004 submission to IPART and for 2004/05 Ministry of Transport submission to IPART 2005 and STA *Annual Report 2004/05* p. 93.

In broad terms, Sydney Buses' replaced some of its older vehicles with new buses during 2004/05. This resulted in a reduction in the average age of its bus fleet and increased mechanical reliability. It also increased the proportion of the fleet that are wheelchair accessible and air-conditioned.¹⁸

The Tribunal considers that Sydney Buses' KPIs (which are set by the Ministry) are not well designed to measure the aspects of service quality from a customer's perspective. It would like to see these KPIs reviewed and enhanced to ensure that they provide a meaningful measure of the aspects of service quality that matter most to customers.

For example, the on-time running KPI currently measures the percentage of a sample of buses that commence their runs up to 5 minutes *after* the scheduled time. The sample is approximately 1 per cent of timetabled bus runs at various times. The Tribunal considers it would be more meaningful to measure the proportion of buses that leave the depot/terminus not more than 1 minute late (which might be considered 'on-time' by most passengers) and not more than 3 minutes late, as well as not more than 5 minutes late.

4.2 Specific service improvements

In its submission, the MoT argued that Sydney Buses had achieved five key improvements in its service quality. These improvements primarily stem from the following initiatives:

- The purchase of 102 new buses, which has increased the proportion of air-conditioned, low floor buses in its fleet (total costs \$42.5m¹⁹).
- The purchase of 80 new articulated buses designed to help meet peak demand (total cost \$51.5m²⁰).
- Improved bus maintenance.
- New bus priority measures, such as red bus lanes and trials of the Public Transport Information and Priority System (PTIPS), which gives priority to late-running buses at traffic lights (funded by the Roads and Traffic Authority).
- Improved information to customers via the 131 500 number, website and new timetables (total cost \$2.6m²¹).

The MoT also argued that there were service improvements in Sydney metropolitan bus services in general. The first three of these improvements in the list below have already occurred and the others are either ongoing or to come:

- the decrease in private bus fares in 2005 (although the benefits of this were offset by an increase in Sydney Buses prices in 2005)
- the extension of concession tickets to private metro buses in 2005
- the increase in patronage (especially on some private bus routes as signalled by requests for higher service frequency and extra buses)

¹⁸ The rising percentage of buses that are air-conditioned has been inferred by the Tribunal from the fact that the percentage air-conditioned is usually higher than the percentage that are wheelchair accessible, as was demonstrated in last year's report. See IPART, *Report on the Determination of fares for STA*, December 2004, Table 5.8 p 27.

¹⁹ Source: STA private communication October 2005.

²⁰ Source: STA private communication October 2005.

²¹ Source: STA private communications, October 2005 and December 2005.

- the commitment by private bus operators to buy 84 new air conditioned, low floor buses in the next 12 months²²
- the new strategic corridors that are being developed (these and other new bus priority measures will cost \$90m over three years)
- the provisions in the new contracts that are designed to make operators more responsive to customer complaints
- the introduction of the student TCard and the planned introduction of a full-fare TCard in 2007 (additional driver training and work in anticipation of this change has resulted in a 19 per cent increase in private bus drivers' wages over three years).

²² This was indicated by the Director General of Transport at the public hearing p 52, lines 36-41, "under the new contract, 84 buses will be purchased for Western Sydney and Southern Sydney in the next 12 months. That is in their plan. They have signed off to do that, so there will be an equal amount of investment to the private and public buses in Sydney."

5 FARES FOR 2006

In its previous determination²³ the Tribunal, in conjunction with the Ministry, aligned single fares charged on public and private buses in metropolitan Sydney. This was a major government initiative. In this determination, the Tribunal will continue to ensure that single fares for all metropolitan buses services are aligned.

Having considered changes in costs of both Sydney Buses (see section 3.2 and 3.3) and private bus operators²⁴ (see section 3.5), scope for productivity improvements, and service quality, the Tribunal has decided on increases in single fares of between 10 and 20 cents per ticket.

The Tribunal decided to lower the discount on several Sydney Buses' TravelTens so that no discount exceeds 20 per cent. It also decided to round all fares for single and ten-trip tickets and weekly tickets upwards or downwards to the nearest 10 cents, and all adult TravelPass tickets to the nearest dollar.

5.1 Single tickets in metropolitan Sydney

The Tribunal has determined:

- a 10 cent rise for single fares for sections 1-2, 3-5 and 6-9
- a 20 cent rise for single fares for sections 10-15 and 16+.

This results in individual fares rises of between 2.8 and 6.3 per cent (Table 5.1). Fare increases determined by the Tribunal in subsequent years will be applied to the unrounded prices²⁵.

Table 5.1 Metropolitan single ticket bus fares

SINGLES	2005 Ticket Price	2006 Ticket Price	Percentage Change	Absolute Change
TICKET TYPE				
1-2 Sections	\$1.60	\$1.70	6.3%	\$0.10
3-5 Sections	\$2.70	\$2.80	3.7%	\$0.10
6-9 Sections	\$3.60	\$3.70	2.8%	\$0.10
10-15 Sections	\$4.30	\$4.50	4.7%	\$0.20
16+ Sections	\$5.20	\$5.40	3.8%	\$0.20

²³ *Report on the Determination of Fares for State Transit Authority, December 2004.*

²⁴ Given the funding arrangements, to base a fare increase for all metropolitan services on the changes in costs for the private buses would not, in the Tribunal's opinion, provide an appropriate outcome for passengers. Indeed as the analysis in chapter 3 indicates, Sydney Buses is not operating on the efficiency frontier. While the funding arrangements limit the incentive properties of the Tribunal's price regulation the Tribunal does not wish to reward Sydney Buses (or penalise customers) for its inefficiencies.

²⁵ Unrounded prices are often referred to as 'master fares'. Appendix 4 contains the 2006 master fares.

5.2 TravelTen tickets on Sydney Buses

The prices of Sydney Buses' TravelTen tickets are derived from the price of 10 single fare tickets less a designated discount. In its submission, the MoT argued that the discount for TravelTen tickets should be set at a uniform 15 per cent. It claimed that this discount was sufficient to reward customer loyalty, was comparable to the discount offered by public transport agencies in other jurisdictions, and would have minimal effects on patronage and the rate at which customers switch to other products.

The Tribunal notes that, according to the MoT, no private buses will be obliged to offer a TravelTen product until the Tcard is introduced (expected 2007). This removes any urgency to create a uniform discount for Sydney Buses' TravelTens. In its report on the 2004 review, the Tribunal put the view that a 15 per cent discount was neither representative of interstate practice nor consistent with public perceptions of a reasonable discount.

The current discounts on Sydney Buses' TravelTens range from 15.0 to 22.5 per cent (Table 5.2). Almost 95 per cent of TravelTens sold are those for short to medium distances (between 1 and 9 sections), which currently have a discount of more than 20 per cent.

Table 5.2 Changes in TravelTen prices under uniform discounts

TravelTens	Current Price	Current Discount	% Change required for:	
			15% discount	20% discount
1-2 Sections	\$12.70	20.6%	7.1%	0.8%
3-5 Sections	\$21.30	21.1%	7.7%	1.4%
6-9 Sections	\$27.90	22.5%	9.7%	3.2%
10-15 Sections	\$36.10	16.0%	1.2%	-4.7%
16+ Sections	\$44.20	15.0%	0.0%	-5.9%
Weighted ave increase to TravelTens:			7.3%	0.9%

If *all* discounts were set at 20 per cent, TravelTen tickets would increase by an average of 0.9 per cent on top of any increase applied to single fares. If all discounts were set at 15 per cent, the increase would be 7.3 per cent on top of any single fare rise, and the price of the three most popular TravelTen tickets would rise significantly.

After considering the accumulated information available to it since the 2004 public hearing, the Tribunal decided to correct an anomaly in the discount structure by setting a *maximum* discount of 20 per cent for the coming year. The decision means that TravelTen tickets will increase by between \$0.90 and \$1.70. The fares for TravelTen tickets for 10 or more sections will not be increased as discounts on these products are currently below 20 per cent.

Table 5.3 TravelTen fares

TravelTens Ticket Type	2005 Ticket Price	2006 Ticket Price	Percentage Change	Absolute Change
1-2 Sections	\$12.70	\$13.60	7.1%	\$0.90
3-5 Sections	\$21.30	\$22.40	5.2%	\$1.10
6-9 Sections	\$27.90	\$29.60	6.1%	\$1.70
10-15 Sections	\$36.10	\$36.10	0.0%	\$0.00
16+ Sections	\$44.20	\$44.20	0.0%	\$0.00

5.3 TravelPass fares on Sydney Buses

The MoT proposed that the fares of the two mode (bus and ferry) TravelPasses and the bus and ferry share of the fares of the three mode (bus, ferry and rail) TravelPasses be increased. Because the Tribunal is not undertaking a review of rail fares at this stage, it has determined that there will be no increase at this stage in the prices of any product that includes rail travel. Consequently, the prices of three mode TravelPasses and the DayTripper ticket will remain unchanged.

Having considered the increase for single tickets and TravelTens the Tribunal has determined that the increase for bus only and bus and ferry TravelPasses be between \$0.40 (for the Bustripper ticket) and \$2.00 (for the Pittwater TravelPass) (Table 5.4).

Table 5.4 TravelPass fares

	2005 Ticket Price	2006 Ticket Price	% Rise	Absolute increase
Red	\$32.00	\$32.00	0.00%	\$0.00
Green	\$40.00	\$40.00	0.00%	\$0.00
Yellow	\$44.00	\$44.00	0.00%	\$0.00
Pink	\$47.00	\$47.00	0.00%	\$0.00
Purple	\$54.00	\$54.00	0.00%	\$0.00
Blue	\$29.00	\$30.00	3.45%	\$1.00
Orange	\$36.00	\$37.00	2.78%	\$1.00
Pittwater	\$49.00	\$51.00	4.08%	\$2.00
2 Zone	\$29.00	\$30.00	3.45%	\$1.00
Daytripper	\$15.00	\$15.00	0.00%	\$0.00
Bustripper	\$10.90	\$11.30	3.67%	\$0.40

In a late submission received after the public hearing Action for Public Transport (APT) proposed that the price of Sydney Buses' Daytripper ticket be reduced from \$15.00 to \$10.00. The Daytripper ticket is a one-day travelpass which allows unlimited travel on bus, train and ferry within the Sydney area. It is currently marketed as a leisure/tourist product. APT believes the price should be reduced to "encourage its use as a general-purpose all-day ticket". The Tribunal believes the current fare (\$15.00) is appropriate relative to the cost of travel included in the price of a Daytripper (for example a return Manly ferry ticket (\$12.00) and return rail tickets (\$13.20 from city to Penrith).

5.4 Other tickets on Sydney Buses

Sydney Buses has two other tickets for which the Tribunal determines maximum fares – the Sports Special Return Ticket, and the School Term Pass. The Sports Special Return Ticket is a product sold to attendees of major sporting events. It covers return travel from key locations (such as Central station) to and from the sporting venue. The price of the ticket is currently \$5.00. The Tribunal increased this price from \$4.60 last year in response to a request from STA, based on recovering the costs of providing the service and reducing the need to give change. As the MoT did not propose a change in the price of this ticket, the Tribunal decided to maintain it at its current price.

The School Term Pass is a bus pass product sold to students who do not meet eligibility requirements for free bus travel under the School Student Travel Scheme (SSTS). The pass costs \$40 per school term. The Tribunal did not increase the price of this product last year, in line with the STA's request. The MoT did not present a proposal to change this fare in its submission. The price of this ticket will remain at \$40.

5.5 Transitway 10 fares and weekly fares

The STA owns Western Sydney Buses which operates regular services on the Liverpool/Parramatta Transitway. Transitway offers single fares, T-way10 fares (similar to TravelTens) and Weekly tickets. T-way10 fares are currently set at a 15 per cent discount compared to 10 single fares. The Tribunal has determined that the prices of these tickets will rise by the same percentage as single tickets and be rounded to the nearest 10 cents.

Table 5.5 T-way10 fares

TICKET TYPE		2005	2006	Percentage	Absolute	
		Ticket	Ticket	Change	Change	Discount
T-way 10	CLASS	Price	Price			
1-2 Sections	ADULT	\$13.60	\$14.10	3.68%	\$0.50	17.1%
3-5 Sections	ADULT	\$23.00	\$23.80	3.48%	\$0.80	15.0%
6-9 Sections	ADULT	\$30.60	\$31.70	3.59%	\$1.10	14.3%
10-15 Sections	ADULT	\$36.60	\$37.90	3.55%	\$1.30	15.8%
16+ Sections	ADULT	\$44.20	\$45.70	3.39%	\$1.50	15.4%
1-2 Sections	CONC	\$6.80	\$7.00	2.94%	\$0.20	12.5%
3-5 Sections	CONC	\$11.50	\$11.90	3.48%	\$0.40	15.0%
6-9 Sections	CONC	\$15.30	\$15.80	3.27%	\$0.50	12.2%
10-15 Sections	CONC	\$18.30	\$18.90	3.28%	\$0.60	14.1%
16+ Sections	CONC	\$22.10	\$22.80	3.17%	\$0.70	15.6%

Table 5.6 Weekly fares for Transitway

TICKET TYPE		2005	2006	Percentage	Absolute
		Ticket	Ticket	Change	Change
		Price	Price		
T-way bus plus weekly					
1-2 Sections	ADULT	\$12.30	\$12.70	3.25%	\$0.40
3-5 Sections	ADULT	\$22.90	\$23.70	3.49%	\$0.80
6-9 Sections	ADULT	\$32.60	\$33.70	3.37%	\$1.10
10-15 Sections	ADULT	\$46.80	\$48.40	3.42%	\$1.60
16+ Sections	ADULT	\$59.40	\$61.50	3.54%	\$2.10
1-2 Sections	CONC	\$6.20	\$6.30	1.61%	\$0.10
3-5 Sections	CONC	\$11.40	\$11.80	3.51%	\$0.40
6-9 Sections	CONC	\$16.30	\$16.80	3.07%	\$0.50
10-15 Sections	CONC	\$23.40	\$24.20	3.42%	\$0.80
16+ Sections	CONC	\$29.70	\$30.70	3.37%	\$1.00
T-way weekly					
North Zone	ADULT	\$32.60	\$33.70	3.37%	\$1.10
South Zone	ADULT	\$32.60	\$33.70	3.37%	\$1.10
North + South Zone	ADULT	\$59.40	\$61.50	3.54%	\$2.10
North Zone	CONC	\$16.30	\$16.80	3.07%	\$0.50
South Zone	CONC	\$16.30	\$16.80	3.07%	\$0.50
North + South Zone	CONC	\$29.70	\$30.70	3.37%	\$1.00

6 IMPLICATIONS FOR FARE REVENUES, BUS PASSENGERS, AND THE ENVIRONMENT

In making its pricing decisions, the Tribunal considered the implications of these decisions for the farebox and concessional revenue to be received by the Ministry of Transport, for passengers on the metropolitan bus network and for the environment.

6.1 Effect on farebox and concessional revenue

The financial viability of each operator depends on a range of matters, including the specific payments under their contract with the Ministry of Transport and any cost efficiencies or patronage gains made by operators that benefit them under their contracts with the MoT.

As a result of the Tribunal's determination, the farebox revenue collected by the MoT from Sydney Buses' passengers would rise by around 4 per cent if patronage remains at 2004/05 levels. Likewise, on unchanged patronage, farebox revenue collected from private bus passengers and Transitway passengers would rise by the increase in ticket prices – by between 2.8 and 6.3 per cent.

The fare rises therefore assist the Ministry of Transport in funding metropolitan bus services.

6.2 Implications for passengers

The Tribunal considered the income levels of passengers using metropolitan bus services, and the financial burden that fare increases might place on them. It considers that the fare increases it has determined are not excessive, particularly given the average increases in fares in recent years and the current level of inflation (Table 6.1). A selection of specific fare changes also suggests that the increases are not likely to place significant financial pressure on passengers (Table 6.2).

Table 6.1 Average percentage fare rises in recent years

	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Sydney Buses	2.1	7.0	8.6	4.8	1.9	5.0	3.9
Private Buses				4.1	4.2	5.6	3.8
<i>Inflation (Sydney)</i>	1.6	2.4	6.2	3.0	2.8	2.2	2.5

Public transport passengers tend to earn a wide range of incomes, partly because public transport is used by both commuters and non-commuters. The income profile of users of STA and private bus services in Sydney who pay the full adult fare (shown in Table 6.3), indicates that Sydney Buses passengers have a higher median household income than private bus passengers.

Table 6.2 Specific examples of fare changes

Agency	Trip Description	Single Journey \$		TravelTen \$	
		Old Fare	New Fare	Old Fare	New Fare
Sydney Buses	Gladesville to Rozelle	2.70	2.80	21.30	22.40
	Malabar to City (Market St)	3.60	3.70	27.90	29.60
	Avalon to Nth Sydney	5.20	5.40	44.20	44.20
Sydney Private Buses	Merrylands to Parramatta	1.60	1.70	N/A	N/A
	Kellyville to City	5.20	5.40	N/A	N/A
Transitway	Bonnyrigg to Miller	2.70	2.80	23.00	23.80
	Liverpool to Smithfield	4.30	4.50	36.60	37.90

Table 6.3 Income profile of public transport users

Mode	No. of trips	Average personal income	Average household income	Median household income
CityRail	498,032	\$49,222	\$93,818	\$81,848
Sydney Buses	267,937	\$44,569	\$87,618	\$73,164
Priv Bus Sydney	70,330	\$32,025	\$68,563	\$53,456
Sydney Ferries	29,508	\$81,231	\$132,756	\$137,800

Source: TPDC Household Travel Survey 2003, average weekday.

Passenger income also varies by type of ticket purchased (Table 6.4). Of Sydney Buses passengers, purchasers of TravelTens have the highest average personal incomes, while purchasers of single tickets have considerably lower incomes with purchasers of TravelPass tickets falling in between. Purchasers of 'Other' tickets include those who use the PET, hence the very low personal incomes.

Table 6.4 Income by Sydney Buses ticket type

Ticket type	Average personal income
Single	\$37,745
TravelTen	\$50,912
TravelPass	\$42,679
Other	\$26,183
Sydney Buses overall	\$44,569

Source: TPDC, Household Travel Survey 2003.

6.3 Implications for the environment

As a general principle, encouraging public transport at the expense of private car travel benefits the environment by contributing to reduced pollution, reduced carbon emissions and reduced traffic congestion. To the extent that the price rises determined by the Tribunal are lower than the rise in car costs (especially in light of the rise in petrol prices during 2004/05 and since) more bus travel might be encouraged at the expense of the car. The Tribunal expects the environmental effects to be positive, albeit small.

APPENDIX 1 EXCERPT FROM PASSENGER TRANSPORT ACT 1990

28J Determination of maximum fare pricing policy for regular bus services

- (1) This section applies to any service contract for a regular bus service that authorises or otherwise permits the holder (or a person providing the service for the holder under a subcontract or other arrangement) to charge passengers of the service a fare for the use of the service.
- (2) The Independent Pricing and Regulatory Tribunal (the *Tribunal*) is to conduct investigations and make reports to the Minister on the following matters:
 - (a) the determination of appropriate maximum fares for regular bus services supplied under service contracts to which this section applies,
 - (b) a periodic review of fare pricing policies in respect of such services.
- (3) In respect of an investigation or report under this section, the Minister may require the Tribunal to consider specified matters when making its investigations.
- (4) Division 7 of Part 3 of the [Independent Pricing and Regulatory Tribunal Act 1992](#) is taken to apply to an investigation under this section in the same way as it applies to an investigation under Part 3 of that Act.
- (5) In making a determination under this section, the Tribunal is to consider the following matters:
 - (a) the cost of providing the services concerned,
 - (b) the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standards of service,
 - (c) the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers and taxpayers,
 - (d) the need to maintain ecologically sustainable development (within the meaning of section 6 of the [Protection of the Environment Administration Act 1991](#)) by appropriate pricing policies that take account of all of the feasible options to protect the environment,
 - (e) the social impact of the determination,
 - (f) standards of quality, reliability and safety of the services concerned (whether those standards are specified by legislation, agreement or otherwise) and any suggested or actual changes to those standards,
 - (g) contractual arrangements prevailing in the industry,
 - (h) such other matters as the Tribunal considers relevant.
- (6) A service contract to which this section applies is taken to include a term to the effect that:
 - (a) the holder of the contract must not charge a passenger of the service a fare that exceeds the maximum fare determined under this section from time to time for the provision of such a service to a passenger of that kind, and
 - (b) if the regular bus service is to be provided for the holder by another person—the holder must ensure (whether by contract or other means) that the person providing the service for the holder is not permitted to charge a passenger of the service a fare that exceeds the maximum fare determined under this section from time to time for the provision of such a service to a passenger of that kind.
- (7) Any contravention of the term implied in a service contract by subsection (6) may be remedied at law or in equity as though the term were an essential term to which the parties had by contract agreed.
- (8) A service contract to which this section applies may make provision for maximum fares for the provision of the regular bus service concerned to passengers pending the first determination of maximum fares under this section.
- (9) Any provision of the kind referred to in subsection (8) ceases to have effect as part of the service contract on and from the first determination of maximum fares under this section that applies to the provision of the kind of regular bus services to which the contract relates.

Table A1.1 Consideration of section 28J matters by Tribunal for the metropolitan Sydney bus fare determination

Section 28J	Report reference
(a) cost of providing the services	Chapter 3
(b) protection of consumers from abuse of monopoly power	Section 6.2
(c) improved efficiency in supply of services	Sections 3.2 and 3.5
(d) ecologically sustainable development	Section 6.3
(e) social impact	Section 6.2
(f) standards of quality, reliability and safety of the services	Chapter 4
(g) contractual arrangements prevailing	Sections 1.1 and Section 5
(h) any other matters	
Premier's letter	
a.) five-year price path	Section 2.2
b.) fare increase up to CPI subject to efficiency gains	Sections 3.2 and 3.5
c.) fare increase above CPI subject to service improvements	Chapter 4

APPENDIX 2 PREMIER'S LETTER



**Premier of New South Wales
Australia**

18 May 2004

Mr James Cox
Acting Chairman
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
NSW 1230

Dear Mr Cox

I am writing in relation to IPART's forthcoming review processes with respect to passenger transport fares for 2004-2005, in the context of the Government's recently announced transport reforms.

In light of recent performance issues on the CityRail network, I direct under section 7(1) of the *Independent Pricing and Regulatory Tribunal Act 1992* ('the Act') that the 2004-05 IPART fare review process for CityRail be deferred until further notice. However, fare reviews of other public transport modes should proceed.

Following the Ministerial Inquiry into Sustainable Transport, the NSW Government has committed to delivering parity in fare structures and consistent service levels across public and private bus and ferry transport operators.

I therefore request under section 13(l)(c) of the Act that, when making its investigations into passenger transport fares for all public transport modes, the Tribunal consider the following matters that arise from the Inquiry's recommendations:

- the making of a determination based on a 5-year price path;
- providing that fare increases up to the Consumer Price Index (CPI) should be subject to efficiency gains; and
- providing for fare increases above the CPI to clearly demonstrate customer benefits through improvements in service quality linked to specific initiatives such as bus priority measures.

In respect of the Tribunal's section 9 investigations of privately owned public transport fares, I would ask that you also have regard to the above matters.

Bus Services:

In order to progress with a consistent fare structure for the bus industry and to implement reforms arising from the Unsworth Review of Bus Services, several changes to the existing arrangements, including legislation and the role of IPART, are being considered by the

Government. The proposed legislative amendments will not commence in the first half of 2004.

When calling for public and industry submissions I request, pursuant to section 13(l)(c) of the Act, that IPART consider the Government's preferred approach of moving to a single fare review, including moving to a single fare change applicable to all bus operators.

I also request that IPART consider whether any State Transit fare increase for 2004-05 and later years should be applied on a "weighted average" basis aimed at better aligning Government and private operator fares. Such an approach would result in IPART determining an overall price change for bus fares. Individual fare products may be adjusted to varying degrees but the changes must, in aggregate, be less than or equal to the overall adjustment determined by IPART.

For non-commercial bus services, the Government is developing a new funding approach along the lines recommended by the Unsworth Review of Bus Services (see p.70 of the Final Report), but this may not be completed for 2004-05. Therefore it may be appropriate that the process used for the 2003-04 review be used in 2004-05.

Ferry Services:

In respect of ferry services, under section 13(l)(c) of the Act, I also request that IPART consider adopting the same process outlined above (i.e. single fare increase figure for both private and public operators). As there are no relevant legislative changes planned in relation to ferries, I request that in all other respects IPART consider following existing processes for 2004-2005.

I have no objection to the contents of this letter being made publicly available, if you consider it appropriate.

If your officers wish to discuss these matters, they should contact Ms Zoe de Saram, Policy Manager, Economic Development Branch, at The Cabinet Office on (02) 9228 4930.

Yours sincerely

Bob Carr
Premier

APPENDIX 3 LIST OF SUBMISSIONS AND HEARING PARTICIPANTS

The Tribunal received submissions from the following organisations and individuals:

Organisations

Action for Public Transport (2 submissions)
Bus and Coach Association
Blue Mountains Commuter and Transport Users Association
Combined Pensioners and Superannuants Association
Commuter Council of NSW (2 submissions)
Engineers Australia Sydney Division, Transport Panel
Independent Transport Safety and Reliability Regulator
Lake Macquarie Transport Taskforce
Lower Hunter Councils Transport Group
Ministry of Transport
NSW Council of Social Service
Transit Planners Pty Ltd
University of Newcastle
Western Sydney Community Forum
Youth Action & Policy Association

Individuals

Mr Kirk Bendall
Mr Simon Clancy
Mr Bill Craig
Ms Joan Gennery
Mr Michael Haynes
Dr Chloe Mason
Mr Paul Pearce MP
Mr Norman Rich
Mr Greg Sutherland

The participants at the hearing on 28 October 2005 were:

Action for Public Transport (Mr Allan Miles)
Bus and Coach Association (Mr Darryl Mellish)
ITSRR (Mr John Austen)
Lower Hunter Councils Transport Group (Mr Len Regan)
Ministry of Transport (Mr John Lee)
NSW Council for Social Services (Mr Dinesh Wadiwel)
State Transit Authority (Mr Roger Wilson)
Western Sydney Community Forum (Ms Joan Gennery)
Western Sydney Regional Organisation of Councils (Mr Alex Gooding)

Also attending the hearing were:

Mr Frank D'Apuzzo (Buslines Group)
Mr Bill Grant (Ministry of Transport)
Mr Richard Langereis (Ministry of Transport)
Mr John Longton (Commuter Council)
Mr Kevin Parish (Commuter Council)
Mr Michael Petrie (Ministry of Transport)
Ms Liz Reedy (ITSRR)
Mr Paul Schuman (STA)
Mr Richard Smith (Busways)
Mr Graeme Taylor (Action for Public Transport)
Mr Peter Threlkeld (Transit First)
Mr George Tisse (Busways)
Mr Paul Trevaskis (Blue Mountains Commuter and Transport Users Association)

APPENDIX 4 THE NEW FARES AND THE MASTER FARES

The ticket prices determined by the Tribunal are set out in this appendix both before and after rounding.

Table A4.1 Single fares for Sydney Buses, Private Buses and Transitway Buses

TICKET TYPE	CLASS	2005	2006	2006
		Ticket Price	Master Fare	Ticket Price
Single ride fares				
1-2 Sections	ADULT	\$1.60	\$1.66	\$1.70
3-5 Sections	ADULT	\$2.70	\$2.79	\$2.80
6-9 Sections	ADULT	\$3.60	\$3.73	\$3.70
10-15 Sections	ADULT	\$4.30	\$4.45	\$4.50
16+ Sections	ADULT	\$5.20	\$5.38	\$5.40
1-2 Sections	CONC	\$0.80	-	\$0.80
3-5 Sections	CONC	\$1.30	-	\$1.40
6-9 Sections	CONC	\$1.80	-	\$1.80
10-15 Sections	CONC	\$2.10	-	\$2.20
16+ Sections	CONC	\$2.60	-	\$2.70

Table A4.2 TravelTen fares for Sydney Buses

TICKET TYPE	CLASS	2005	2006	2006	Discount
		Ticket Price	Master Fare	Ticket Price	
TravelTen					
1-2 Sections	ADULT	\$12.70	\$13.60	\$13.60	20.0%
3-5 Sections	ADULT	\$21.30	\$22.40	\$22.40	20.0%
6-9 Sections	ADULT	\$27.90	\$29.60	\$29.60	20.0%
10-15 Sections	ADULT	\$36.10	\$36.10	\$36.10	19.8%
16+ Sections	ADULT	\$44.20	\$44.20	\$44.20	18.1%
1-2 Sections	CONC	\$6.30	-	\$6.80	15.0%
3-5 Sections	CONC	\$10.60	-	\$11.20	20.0%
6-9 Sections	CONC	\$13.90	-	\$14.80	17.8%
10-15 Sections	CONC	\$18.00	-	\$18.00	18.2%
16+ Sections	CONC	\$22.10	-	\$22.10	18.1%

Table A4.3 TravelPass fares for Sydney Buses

TICKET TYPE		2005 Ticket Price	2006 Master Fare*	2006 Ticket Price
TravelPass – Bus and Ferry, Bus only				
Blue	ADULT	\$29.00	\$30.02	\$30.00
Orange	ADULT	\$36.00	\$36.96	\$37.00
Pittwater	ADULT	\$49.00	\$50.98	\$51.00
2 Zone	ADULT	\$29.00	\$30.02	\$30.00
Blue	CONC	\$14.50	-	\$15.00
Orange	CONC	\$18.00	-	\$18.50
Pittwater	CONC	\$24.50	-	\$25.50
2 Zone	CONC	\$14.50	-	\$15.00
TravelPass – Bus, Ferry and Rail				
Red	ADULT	\$32.00	\$31.78	\$32.00
Green	ADULT	\$40.00	\$40.35	\$40.00
Yellow	ADULT	\$44.00	\$43.93	\$44.00
Pink	ADULT	\$47.00	\$47.00	\$47.00
Purple	ADULT	\$54.00	\$54.00	\$54.00
Red	CONC	\$16.00	-	\$16.00
Green	CONC	\$20.00	-	\$20.00
Yellow	CONC	\$22.00	-	\$22.00
Pink	CONC	\$23.50	-	\$23.50
Purple	CONC	\$27.00	-	\$27.00

* 2006 Master Fare for three mode TravelPasses is identical to the 2003/04 Master Fare as these products have not been increased since that review

Table A4.4 Other fares for Sydney Buses

TICKET TYPE	CLASS	2005 Ticket Price	2006 Master Fare^	2006 Ticket Price
Other				
BusTripper	ADULT	\$10.90	\$11.28	\$11.30
DayTripper	ADULT	\$15.00	\$14.76	\$15.00
BusTripper	CONC	\$5.40	-	\$5.60
DayTripper	CONC	\$7.50	-	\$7.50
Sports Special	ADULT	\$5.00	\$5.00	\$5.00
Sports Special	CONC	\$2.50	-	\$2.50
School Term Pass	CONC	\$40.00	\$40.00	\$40.00

^ 2006 Master Fare for Daytripper is identical to the 2003/04 Master Fare as this product has not been increased since that review

Table A4.5 T-way 10 fares for Transitway

TICKET TYPE	CLASS	2005 Ticket Price	2006 Master Fare	2006 Ticket Price	Discount
T-way 10					
1-2 Sections	ADULT	\$13.60	\$14.08	\$14.10	17.1%
3-5 Sections	ADULT	\$23.00	\$23.81	\$23.80	15.0%
6-9 Sections	ADULT	\$30.60	\$31.67	\$31.70	14.3%
10-15 Sections	ADULT	\$36.60	\$37.88	\$37.90	15.8%
16+ Sections	ADULT	\$44.20	\$45.74	\$45.70	15.4%
1-2 Sections	CONC	\$6.80	-	\$7.00	12.5%
3-5 Sections	CONC	\$11.50	-	\$11.90	15.0%
6-9 Sections	CONC	\$15.30	-	\$15.80	12.2%
10-15 Sections	CONC	\$18.30	-	\$18.90	14.1%
16+ Sections	CONC	\$22.10	-	\$22.80	15.6%

Table A4.6 Weekly fares for Transitway

TICKET TYPE	CLASS	2005 Ticket Price	2006 Master Fare	2006 Ticket Price
T-way bus plus weekly				
1-2 Sections	ADULT	\$12.30	\$12.73	\$12.70
3-5 Sections	ADULT	\$22.90	\$23.70	\$23.70
6-9 Sections	ADULT	\$32.60	\$33.74	\$33.70
10-15 Sections	ADULT	\$46.80	\$48.44	\$48.40
16+ Sections	ADULT	\$59.40	\$61.48	\$61.50
1-2 Sections	CONC	\$6.20	-	\$6.30
3-5 Sections	CONC	\$11.40	-	\$11.80
6-9 Sections	CONC	\$16.30	-	\$16.80
10-15 Sections	CONC	\$23.40	-	\$24.20
16+ Sections	CONC	\$29.70	-	\$30.70
T-way weekly				
North Zone	ADULT	\$32.60	\$33.74	\$33.70
South Zone	ADULT	\$32.60	\$33.74	\$33.70
North + South Zone	ADULT	\$59.40	\$61.48	\$61.50
North Zone	CONC	\$16.30	-	\$16.80
South Zone	CONC	\$16.30	-	\$16.80
North + South Zone	CONC	\$29.70	-	\$30.70

APPENDIX 5 ABBREVIATIONS USED IN THIS REPORT

ABS	Australian Bureau of Statistics
BCA	The BCA or Bus and Coach Industrial Association is the peak industry organisation for the NSW private bus and coach sector.
BICI	Bus Industry Cost Index, an index representing the change in costs in the private bus industry
HTS	Household Travel Survey
MoT	The Ministry of Transport, formerly the Transport Co-ordination Authority, formerly the Department of Transport
PAR	Performance Assessment Regime - a series of best practice objectives and standards for buses.
PTA	Passenger Transport Act 1990
RTA	Roads and Traffic Authority, NSW
SSTS	SSTS or School Student Transport Scheme provides subsidised travel for eligible school students on government rail, government and private bus and ferry services and long distance coaches. The scheme can only be used for travel between home and school.
STA	The STA or State Transit Authority is the government-owned provider of bus and ferry services in Sydney and Newcastle.
TPDC	The Transport Population and Data Centre. It is the major source of transport data for the Sydney Statistical District (Sydney, Wollongong, Blue Mountains, Central Coast and Newcastle). The TPDC is a division of the Department of Planning.

IPART

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