



Introduction

Transport for New South Wales (TfNSW) is pleased to present this pricing proposal (proposal) to the Independent Pricing and Regulatory Tribunal (IPART) which sets out the Proposed Fare Change Events in accordance with IPART's current determination of maximum fares for Opal Services.

TfNSW proposes to increase Opal fares in line with CPI in 2018-19. All Opal fares and caps, with the exception of the Opal Pensioner/Senior gold card day cap which will remain at \$2.50, will increase by CPI (2.2 per cent) from 2 July 2018.

TfNSW also proposes to introduce a new Opal product – Opal One Day Travel Pass (“Opal Day Pass”) at a price of \$19 Adult/\$9.50 Child without airport access and \$33.30 Adult/\$22.30 Child. The Opal Day Pass is aimed at visitors who may not wish to obtain an Opal card for a short stay in Sydney. TfNSW expects to commence a trial of this product during 2018-19 but the exact start date is to be confirmed. It will not be available for general sale to customers but will be sold to companies such as tour operators. A similar product is currently being sold to other Government agencies at a discounted price.

There will be no changes to other Opal benefits such as travel reward and transfer discount.

After the impact of rounding on single trip tickets and caps for cash handling and simple customer communications, the estimated revenue increase compared to 2017-18 is 2.5 per cent.

This submission to IPART, along with detailed data including the trip distribution for 2018-19 to be provided electronically to IPART, provides the necessary details to confirm compliance.

Proposed Fare Change Events

TfNSW has identified the following Proposed Fare Change Events as defined by clause 4 of Schedule 1 of the Determination:

- (1) Increase an Adult Fare;
- (2) Modify any of the parameters used to calculate the Fare for a Trip (including any change in daily or weekly caps, distance bands, travel concessions, travel rewards or discounts);
- (3) Introduce one or more new Tickets or Opal Cards, where there is a corresponding increase in an Adult Fare.

Compliance with IPART's determination

After assessing the impact of these changes, TfNSW estimates that the Average Adult Fare for 2018-19 is \$2.61, an increase of 4.8 per cent on the Average Adult Fare of \$2.49 from 2015-16. This increase is less than the maximum permitted increase for Adult Fares from 2015-16 to 2018-19 of 13.0 per cent, as set out in clause 2(d) of Schedule 1 of the Determination.

Average adult fare analysis

In its previous pricing proposal, TfNSW projected an Average Adult Fare for 2017-18 of \$2.55. Table 1 indicates that the observed Average Adult Fare for 2017-18 was as per projection.

Table 1: 2017-18 Average Adult Fare - Projections vs Observed

Product Group	2017/18 Expected Values		2017/18 Observed Values	
	Trip Weighting	Average Adult Fare*	Trip Weighting	Average Adult Fare
Opal card	98.2%	\$2.52	98.4%	\$2.52
Ticket	1.8%	\$4.23	1.6%	\$4.35
TOTAL	100.0%	\$2.55	100.0%	\$2.55

Observations taken over 7 week period from 26 February to 15 April 2018 and annualised.

Table 2 presents the expected 2018-19 Average Adult Fare and trip weighting. As the increase in fares is modest and is evenly distributed across all relevant fares and caps, TfNSW is not expecting any changes to product trip weighting for 2018-19.

Table 2: 2018-19 Average Adult Fare vs 2017-18 Average Adult Fare

Product Group	2017/18 Observed Values		2018/19 Projected Values	
	Trip Weighting	Average Adult Fare	Trip Weighting	Average Adult Fare
Opal card	98.4%	\$2.52	98.4%	\$2.58
Ticket	1.6%	\$4.35	1.6%	\$4.54
TOTAL	100.0%	\$2.55	100.0%	\$2.61

Observations taken over 7 week period from 26 February to 15 April 2018 and annualised.

Projections based on observation period; revenue recalculated for proposed fare changes.

Trip distribution for 2018-19

In estimating the 2018-19 average adult fare of \$2.61, TfNSW has taken seven weeks of actual Opal card and single trip travel behaviour. The period chosen was 26 February 2018 to 15 April 2018, comprising both normal travel weeks and weeks impacted by public holidays. This representative sampling approach is consistent with the pricing proposal for the 2017-18 fare change event. Table 3 and Table 4 show the distribution of Opal reloadable card trips by price band for the representative weeks under current and proposed pricing, representing over 98 per cent of qualifying travel.

The Opal Day Pass trial was considered but it is not expected to impact trip distribution in 2018-19 due to low numbers. During the trial, the Opal Day Pass will not be available for general sale to the public but only be distributed through tour operators such as cruise ship companies. It is expected that less than 15,000 full price Opal Day Pass will be sold in 2018-19, representing less than 0.01 per cent of patronage.

Similarly, the use of contactless payment is not expected to impact trip distribution in 2018-19. Contactless is now available on ferries and light rail but Opal reloadable cards remain the most popular payment method. Recent data shows that less than 0.05 per cent of trips were paid for via contactless payment.

Table 3: Opal reloadable card trip distribution – observed 2017-18

Fare Up To	Holiday Weeks			Normal Weeks			TOTAL		
	Trip Distribution		Average Fare*	Trip Distribution		Average Fare*	Trip Distribution		Average Fare*
	Adult	Concession		Adult	Concession		Adult	Concession	
\$0.00	8%	6%	–	7%	6%	–	7%	6%	–
\$2.00	19%	21%	\$0.93	22%	25%	\$0.97	21%	24%	\$0.96
\$3.00	23%	33%	\$2.14	23%	31%	\$2.13	23%	31%	\$2.13
\$4.00	27%	21%	\$3.09	26%	21%	\$3.10	26%	21%	\$3.10
\$5.00	17%	13%	\$4.19	17%	14%	\$4.19	17%	14%	\$4.19
\$7.00	5%	4%	\$5.67	4%	3%	\$5.71	4%	3%	\$5.70
Over \$7.00	1%	1%	\$7.28	1%	1%	\$7.37	1%	1%	\$7.36
ALL	100%	100%	\$2.55	100%	100%	\$2.51	100%	100%	\$2.52

* Weighted average adult fare excl GST, excl airport station access fees

Table 4: Opal reloadable card trip distribution - projected 2018-19

Fare Up To	Holiday Weeks			Normal Weeks			TOTAL		
	Trip Distribution		Average Fare*	Trip Distribution		Average Fare*	Trip Distribution		Average Fare*
	Adult	Concession		Adult	Concession		Adult	Concession	
\$0.00	8%	8%	–	7%	7%	–	7%	8%	–
\$2.00	19%	19%	\$0.96	22%	22%	\$1.00	21%	22%	\$0.99
\$3.00	23%	27%	\$2.15	23%	26%	\$2.15	23%	26%	\$2.15
\$4.00	27%	27%	\$3.13	26%	26%	\$3.14	26%	26%	\$3.14
\$5.00	13%	11%	\$4.15	12%	11%	\$4.15	12%	11%	\$4.15
\$7.00	10%	7%	\$5.14	9%	7%	\$5.13	9%	7%	\$5.13
Over \$7.00	1%	1%	\$7.32	1%	1%	\$7.38	1%	1%	\$7.37
ALL	100%	100%	\$2.61	100%	100%	\$2.57	100%	100%	\$2.58

* Weighted average adult fare excl GST, excl airport station access fees

Table 5: Single trip ticket distribution – observed 2017-18

Fare Up To	Holiday Weeks			Normal Weeks			TOTAL		
	Trip Distribution		Average Fare*	Trip Distribution		Average Fare*	Trip Distribution		Average Fare*
	Adult	Concession		Adult	Concession		Adult	Concession	
\$0.00	–	–	–	–	–	–	–	–	–
\$2.00	–	–	–	–	–	–	–	–	–
\$3.00	23%	22%	\$2.37	23%	26%	\$2.37	23%	25%	\$2.37
\$4.00	–	–	–	–	–	–	–	–	–
\$5.00	29%	29%	\$3.85	33%	32%	\$3.85	32%	31%	\$3.85
\$7.00	30%	36%	\$4.96	30%	35%	\$4.89	30%	35%	\$4.91
Over \$7.00	18%	12%	\$7.59	14%	8%	\$7.65	15%	9%	\$7.64
ALL	100%	100%	\$4.49	100%	100%	\$4.32	100%	100%	\$4.35

* Weighted average adult fare excl GST, excl airport station access fees

Table 6: Single trip ticket distribution - projected 2018-19

Fare Up To	Holiday Weeks			Normal Weeks			TOTAL		
	Trip Distribution		Average Fare*	Trip Distribution		Average Fare*	Trip Distribution		Average Fare*
	Adult	Concession		Adult	Concession		Adult	Concession	
\$0.00	–	–	–	–	–	–	–	–	–
\$2.00	–	–	–	–	–	–	–	–	–
\$3.00	23%	22%	\$2.55	23%	26%	\$2.55	23%	25%	\$2.55
\$4.00	–	–	–	–	–	–	–	–	–
\$5.00	29%	29%	\$4.00	33%	32%	\$4.00	32%	31%	\$4.00
\$7.00	30%	32%	\$5.11	30%	33%	\$5.07	30%	33%	\$5.08
Over \$7.00	18%	16%	\$7.82	14%	10%	\$7.89	15%	11%	\$7.88
ALL	100%	100%	\$4.69	100%	100%	\$4.51	100%	100%	\$4.54

* Weighted average adult fare excl GST, excl airport station access fees

Changes to Opal card fares

From 2 July 2018, Opal fares will change as set out below.

Train

	ADULT		CONCESSION	
	Current peak	New peak	Current peak	New peak
Train Band 1	\$3.46	\$3.54	\$1.73	\$1.77
Train Band 2	\$4.30	\$4.40	\$2.15	\$2.20
Train Band 3	\$4.94	\$5.05	\$2.47	\$2.52
Train Band 4	\$6.61	\$6.76	\$3.30	\$3.38
Train Band 5	\$8.50	\$8.69	\$4.25	\$4.34

	ADULT		CONCESSION	
	Current off peak	New off peak	Current off peak	New off peak
Train Band 1	\$2.42	\$2.47	\$1.21	\$1.23
Train Band 2	\$3.01	\$3.08	\$1.50	\$1.54
Train Band 3	\$3.45	\$3.53	\$1.72	\$1.76
Train Band 4	\$4.62	\$4.73	\$2.31	\$2.36
Train Band 5	\$5.95	\$6.08	\$2.97	\$3.03

Bus

	ADULT		CONCESSION	
	Current	New	Current	New
Bus Band 1	\$2.15	\$2.20	\$1.07	\$1.10
Bus Band 2	\$3.58	\$3.66	\$1.79	\$1.83
Bus Band 3	\$4.61	\$4.71	\$2.30	\$2.35

Light rail

	ADULT		CONCESSION	
	Current	New	Current	New
Light rail Band 1	\$2.15	\$2.20	\$1.07	\$1.10
Light rail Band 2	\$3.58	\$3.66	\$1.79	\$1.83
Light rail Band 3	\$4.61	\$4.71	\$2.30	\$2.35

Ferries

	ADULT		CONCESSION	
	Current	New	Current	New
Ferry Band 1	\$5.88	\$6.01	\$2.94	\$3.00
Ferry Band 2	\$7.35	\$7.51	\$3.67	\$3.75
Stockton Ferry	\$2.15	\$2.20	\$1.07	\$1.10

Changes to Opal caps

From 2 July 2018, Opal caps will change as set out below.

	Weekday/Saturday		Sunday		Weekly	
	Current	New	Current	New	Current	New
Adult	\$15.40	\$15.80	\$2.60	\$2.70	\$61.60	\$63.20
Child/Youth	\$7.70	\$7.90	\$2.60	\$2.70	\$30.80	\$31.60
Concession	\$7.70	\$7.90	\$2.60	\$2.70	\$30.80	\$31.60
Senior/Pensioner	\$2.50	\$2.50	\$2.50	\$2.50	N/A	N/A

Changes to single trip ticket fares

From 2 July 2018, Opal single trip ticket fares will change as set out below.

Train

	ADULT		CHILD/YOUTH	
	Current	New	Current	New
Train Band 1	\$4.20	\$4.40	\$2.10	\$2.20
Train Band 2	\$5.20	\$5.40	\$2.60	\$2.70
Train Band 3	\$6.00	\$6.20	\$3.00	\$3.10
Train Band 4	\$8.00	\$8.20	\$4.00	\$4.10
Train Band 5	\$10.20	\$10.60	\$5.10	\$5.30

Bus

	ADULT		CHILD/YOUTH	
	Current	New	Current	New
Bus Band 1	\$2.60	\$2.80	\$1.30	\$1.40
Bus Band 2	\$4.30	\$4.40	\$2.10	\$2.20
Bus Band 3	\$5.60	\$5.80	\$2.80	\$2.90

Light rail

	ADULT		CHILD/YOUTH	
	Current	New	Current	New
Light rail Band 1	\$2.60	\$2.80	\$1.30	\$1.40
Light rail Band 2	\$4.30	\$4.40	\$2.10	\$2.20
Light rail Band 3	\$5.60	\$5.80	\$2.80	\$2.90

Ferries

	ADULT		CHILD/YOUTH	
	Current	New	Current	New
Ferry Band 1	\$7.10	\$7.40	\$3.50	\$3.70
Ferry Band 2	\$8.90	\$9.20	\$4.40	\$4.60
Stockton Ferry	\$2.60	\$2.80	\$1.30	\$1.40

Changes to special event service pricing

From 2 July 2018, special event fares will change as set out below.

Bus

	ADULT		CHILD/YOUTH	
	Current one way	New one way	Current one way	New one way
Moore Park Sportsground	\$3.50	\$4.00	\$1.70	\$2.00
Royal Randwick Racecourse	\$3.50	\$4.00	\$1.70	\$2.00
New Years Eve	\$6.00	\$7.00	\$3.00	\$3.00

	ADULT		CHILD/YOUTH	
	Current return	New return	Current return	New return
Moore Park Sportsground	\$6.00	\$7.00	\$3.00	\$3.00
Royal Randwick Racecourse	\$6.00	\$7.00	\$3.00	\$3.00

Introduction of the Opal Day Pass

In 2018-19, TfNSW will introduce the Opal Day Pass with prices as set out below. The Opal Day Pass will allow unlimited travel across the Opal network for the day, excluding private ferries.

	ADULT	CHILD/YOUTH
Without airport station access	\$19	\$9.50
With airport station access	\$33.30	\$22.30