

**ITEM NO:    20**

**SUBJECT:    PRECIS OF SELECTED CORRESPONDENCE, 24/03/2009**

**FILE NO:    C00680**

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**Recommendations:**

*That the Précis of Selected Correspondence be received and appropriate letters forwarded where necessary.*

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- 1. 26/02/2009 – David Campbell MP, Minister for Transport, Minister for the Illawarra**  
To the General Manager responding to correspondence regarding IPART review of fares for public transport in NSW.

\* \* \* \* \*

**Attachment**

FO 0623



**David Campbell**  
Minister for Transport  
Minister for the Illawarra

ML08/09013

Mr Phil Pinyon  
General Manager  
Blue Mountains City Council  
2 Civic Place  
Locked Bag 1005  
KATOOMBA NSW 2780

Trim No.	
Rec'd Records	- 3 MAR 2009    BMCC
REFER	
REMITTANCE	REC No.

Dear Mr Pinyon

Thank you for your correspondence on behalf of Blue Mountains City Council concerning fares for Blue Mountain commuters. I have taken careful note of your views. I apologise for the delay in responding.

The Independent Pricing and Regulatory Tribunal initiates reviews of fares for public transport in NSW.

When it undertakes its reviews, the Tribunal takes into account a number of factors, including:

- the costs of providing the service;
- service quality;
- the performance of the transport provider; and
- environmental and social considerations.

In addition, the Tribunal considers operators' submissions as well as submissions from commuters, interest groups and anyone else who would like to comment during the public hearing process.

Following its review of CityRail fares, the Tribunal has made its determination of maximum fares for CityRail services in 2009.

The Tribunal has made a four-year determination, with fares rising by 7.5 percent on average in 2009, and a weighted average total of 12 percent (plus inflation) over the four years.

As outlined in its determination, the Tribunal took into account a wide range of factors such as:

- submissions and feedback from stakeholders in response to the Tribunal's draft determination on CityRail fares;

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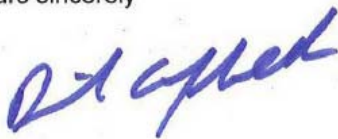
- the NSW Government's submission, which expressed concerns about the impact of the Tribunal's draft determination on the price of tickets for those travelling longer distances on the network;
- the impact of fare changes on the affordability and patronage of CityRail services, particularly for medium and long distance commuters; and
- the need for a more equitable and cost reflective fare structure, where both passengers and taxpayers fund an appropriate proportion of the costs of providing CityRail services, based on the benefits individual passengers and the community receive from these services.

Fare increases are not ideal, but it must also be recognised that rail travel is still heavily subsidised, with the commuter paying less than a third of the cost of operating the service. It is also significantly cheaper than personal travel.

Further information on the Tribunal's decision can be found at the Tribunal's website ([www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)).

Again, thank you for taking the time to write to me with your perspective on this issue. If you require further information on this matter, please feel free to contact the Ministry of Transport's Stakeholder and Community Management Division on (02) 9268 2992.

Yours sincerely



**David Campbell MP  
Minister for Transport  
Minister for the Illawarra**

26 FEB 2009