

PUBLIC TRANSPORT — FARE INCREASE

2135. Hon Ken Travers to the Parliamentary Secretary representing the Minister for Transport:

- (1) Can the Minister confirm that in the 2012–13 Budget the Government announced a 10 cents increase in a standard two-zone cash fare due to increases in the consumer price index?
- (2) Can the Minister confirm that on 1 July 2012 the Government increased the standard two-zone fare by 20 cents, with the additional 10 cents due to the carbon tax?
- (3) Why has the Government not decreased the standard two-zone cash fare by 10 cents now that the carbon tax has been removed?
- (4) How much additional revenue is the Public Transport Authority collecting each day due to the increases in fares imposed on 1 July 2012 to cover the carbon tax not being removed?
- (5) How much will the free travel day on 3 November 2014 cost the Perth Transport Authority?

Hon Jim Chown replied:

- (1)–(2) The fare increase of 20 cents was a combination of CPI and the carbon tax impact with CPI being the larger factor.
- (3) When Transperth fares are increased taking into account CPI and any other Government policy decisions, the fares are then rounded to the nearest ten cents. With regard to the carbon tax cost increase, the increase in costs related to supply of electricity for the train system,; other carbon tax related cost increases such as the electricity costs related to bus services were difficult to precisely quantify at the time and were not of such a substantive value, so they were excluded from the pricing model. This cost impact exercise was verified by an independent third party. Therefore, when the carbon tax was removed the requirement was to remove the carbon tax impost from the revenue budget by appropriate adjustments in zonal fares. When the percentage reduction in fares was applied to achieve the initial cost impost, the two zone fare was not sufficiently affected to warrant a 10 cent reduction. This is a different situation to the original fare increase for the two zone fare which occurred off a lower base and had the CPI impact as well in order to warrant the increase. Note that the same rounding conventions that are generally applied to fare increases have also been applied to the new fare schedule commencing 1 November 2014 where the carbon tax impact has been removed from Transperth fares. This has resulted in some fares decreasing and some staying at the same rate due to the rounding conventions.
- (4) The answer varies dependent on the day type.
- (5) Approximately \$680 000.