

ENSURING THE AFFORDABILITY OF RURAL AND REGIONAL BUSES



Public transport enables people to engage with their community, utilise educational opportunities, participate in the local labour market and benefit from essential services such as health care. However, for some people the cost of public transport is prohibitively high, which limits or restricts its use. The impact of higher bus fares is likely to be greatest on those who are the most isolated and face the highest levels of transport disadvantage.

For some community groups in regional NSW, transport disadvantage is much more pronounced. This includes school aged children and Aboriginal communities living in remote areas that are not serviced by buses.

In our Draft Report, we have recommended that fares are reduced and transport concessions broadened to target these groups. In this Information Paper, we discuss why we consider these changes are needed based on the demographics and relative disadvantage faced by rural and regional NSW. Transport disadvantage is higher in rural and regional NSW than in Greater Sydney

Demographics and lower socioeconomic conditions in rural and regional NSW lead to higher transport disadvantage

Income and mobility related transportation disadvantage is higher in regional NSW. Compared to Greater Sydney, the level of household income in regional NSW is low. With limited public transport options, the proportion of transport related expenditure is higher for people in these regions.¹ Further, the population in regional NSW is ageing faster and the number of people needing assistance with core activities is high compared to Greater Sydney.

Household income in regional NSW is low while poverty levels are high

The average household weekly income was \$721 in regional NSW in 2016 compared to \$1,003 for Greater Sydney. Further, the poverty levels in regional NSW are higher compared to Greater Sydney and more pronounced for certain groups. In its submission to our Issues Paper, the NSW Council of Social Services noted that:

At the statistical level, regional NSW is clearly faring worse than its metropolitan counterparts, with an overall poverty rate of 14.6% against a poverty rate of 12.6% for the Greater Sydney area. Notably poverty is present across all demographic groups residing in regional areas, with particularly high rates for Aboriginal households (29.1%), single-parent families (35%), single person households (24.2%) and people who are unemployed (38.6%) (Vidayattama and Tanton, 2019, p. 16).²

¹ “The use of transport services is price sensitive among low income households with 40% of respondents indicating that they had forgone transport services due to financial constraints”. NCOSS submission to IPART Issues Paper, p 4.

² NCOSS submission to IPART Issues Paper, August 2020, p 5.

During the last few years regional NSW was impacted by bushfires and drought. Now the region is feeling the impacts of COVID-19 including lower income from tourism and lesser demand for products. In the current weakening economic environment for the whole of NSW, the socio-economic conditions of regional NSW are likely to decline further. Table 1 below compares some of the socio-economic indicators for regional areas and Greater Sydney.

Table 1 Socio-economic indicators for different regions – 2016

Region	Median household weekly income	People who have completed year 12 or equivalent ^a %	People needing assistance with core activities %	Unemployment rate %
South East Region	\$795	42.4	5.5	4.9
Central West	\$742	35.5	5.6	6.2
Coffs Harbour-Grafton	\$648	35.6	7.0	7.9
Far West and Orana	\$716	31.9	6.1	7.0
Murray-Riverina	\$753	35.6	5.6	5.5
New England and North West	\$710	36.1	5.6	6.4
Richmond – Tweed	\$686	39.5	6.5	7.0
Average- regional areas	\$721	36.7	6.0	6.4
Greater Sydney	\$1,003	60.0	4.9	6.0

^a The number of people who have completed year 12 or equivalent as a proportion of the population 15 years and over.

Note: Murray and Riverina SA4 data are combined to one region.

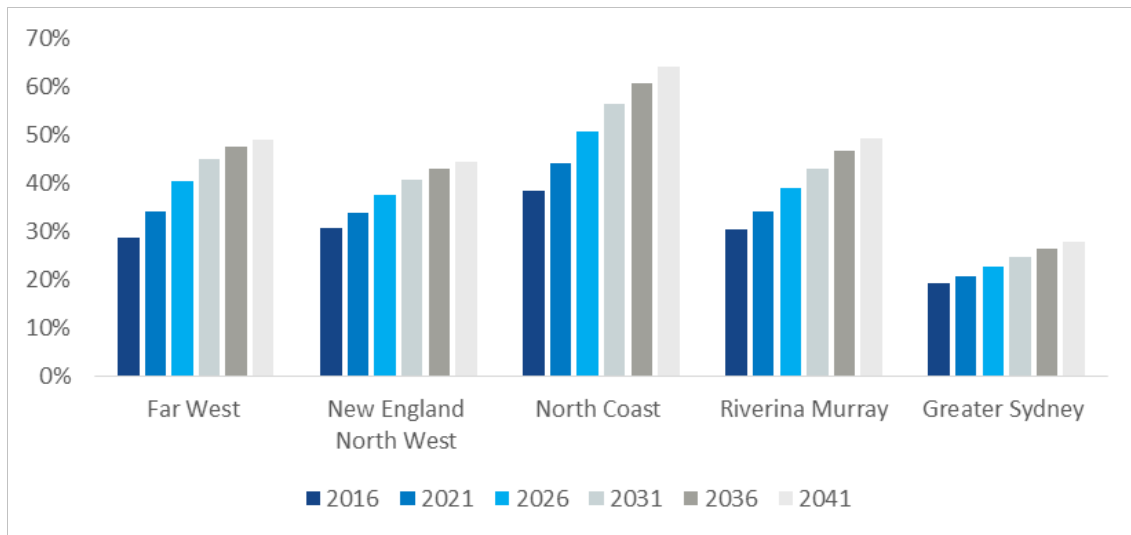
Source: ABS 2016 census data at SA4 level, IPART analysis.

An ageing population contributes to transport disadvantage in NSW

Rural and regional NSW has a more rapidly ageing population than metropolitan and outer metropolitan areas (see Figure 2). Further, the percentage of people needing assistance with core activities is higher in regional NSW at 6.0% compared to 4.9% for Greater Sydney. People with a disability report that they are disadvantaged by the lack of accessible transport in rural and regional areas.³

³ NCOSS submission to IPART Issues Paper, August 2020, p 8.

Figure 2 Aged dependency ratio is higher in regional NSW compared to Greater Sydney



Note: Aged dependency ratio is the ratio of people aged 65 and over to those between 15 and 64.

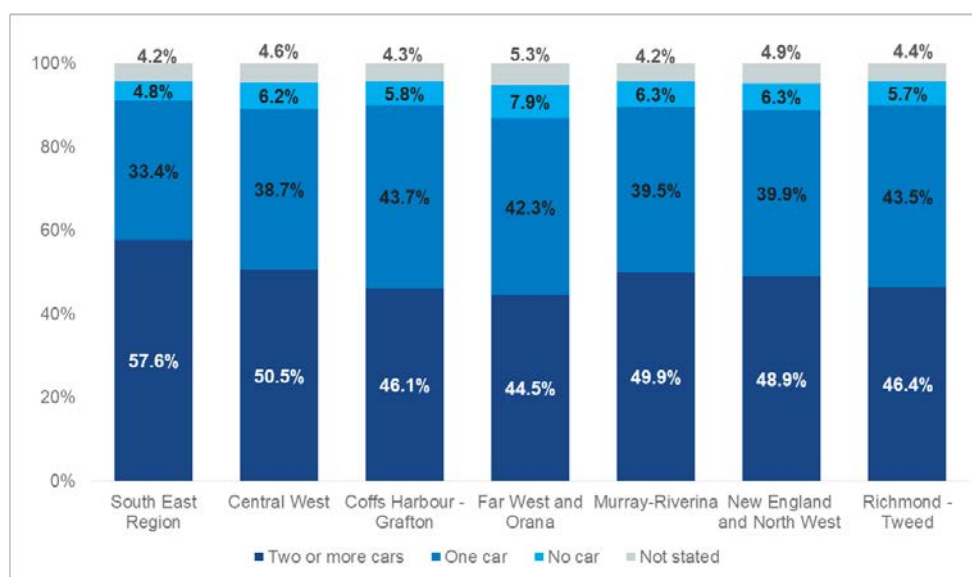
Source: Department of Planning, Industry and Environment, 2019 Population projections for NSW regions.

As people get older, they may be less inclined to drive or may actually lose the ability to drive. These cohorts and their carers may face greater transport disadvantage and find it hard to get to essential medical appointments or access other services without other affordable and convenient transport options.

Car ownership is high in regional NSW but not all people have access to car travel

Car ownership in regional households is high with around 89.3% of households owning private vehicles and 6.1% reporting being carless. These statistics makes sense given other transport options are limited.

Figure 3 Household car ownership in different rural and regional areas – 2016



Source: ABS 2016 census data at SA4 level for regions, Table G30 – Number of motor vehicles by dwellings, General Community Profile for each region, IPART analysis.

However, car ownership in itself may understate transport disadvantage in rural and regional NSW. A significant proportion of households who own a car have access to a single vehicle. If a member of a one-car household uses the vehicle to travel to and from work, the other members of the household may face transport challenges. The average household size in regional NSW is 2.33.⁴ As Figure 3 shows, only around 50% of the households own more than one vehicle in regional NSW.

⁴ Department of Planning, Industry and Environment, [2019 Population projections for NSW regions – the average household size for select regions](#), accessed on 29 September 2020.

In its submission to the Issues Paper, Coffs Harbour City Council noted that bus fares are expensive compared to driving.⁵ Once you exclude the purchase costs of the car, the council estimated that the running costs of a car are lower than the bus fare. In addition, parking in rural and regional NSW is likely to be abundant, convenient and free. This means that the costs of using public transport when compared with driving (once you own a private vehicle) may deter public transport usage and instead encourage reliance on car use. This may in turn lead to forced car ownership, which can add to financial stress for people facing economic disadvantage.

Transport disadvantage is much more pronounced for some groups in regional NSW

Our consultation identified a number of groups within regional NSW who are particularly transport disadvantaged. For many of these groups the key issue is unavailability of suitable and accessible services.

Aboriginal communities living in remote areas

Some Aboriginal communities live in remote regions that are not serviced by any mode of public transport. These communities are isolated and have to travel significant distances to access essential services. One such community is the Gundurimba Aboriginal community in the outskirts of Lismore CBD. In its submission to our Issues Paper, Lismore City Council noted that the nearest bus stop is too far for older people, people with a disability and parents with children to walk to.⁶

People with disabilities

People with disabilities may have limited mobility and as a result have difficulty boarding and alighting from buses, getting to the bus stop if the bus stop is too far from where they live or accessing information on services. These passengers may face difficulties when an accessible service is cancelled or replaced with a non-accessible bus. In some parts of regional NSW, a passenger who wants to travel in an accessible service needs to request an accessible service in advance. Around 24.0% of bus services are 'accessible services' in regional NSW.⁷

⁵ Coffs Harbour City Council submission to IPART Issues Paper, August 2020, p 4.

⁶ Lismore City Council submission to IPART Issues Paper, August 2020, p 2.

⁷ Transport for NSW, average annual data for accessible services out of total scheduled trips for large and medium operators for 2016-20.

Children living in remote regions

The Isolated Children's Parents Association (ICPA) noted that pre-school aged children in remote areas do not get the opportunity to attend pre-school as the nearest pre-school can be up to 100 kilometres away. ICPA recommends that the School Drive Subsidy available for school aged children should be extended to pre-school children.⁸

School children in very remote areas are another group facing transport challenges. Some of these geographically isolated students find attending other educational, sports and cultural events a challenge. Schools in remote areas find the cost of hiring a bus to move children to events cost prohibitive. A suggestion made in our consultation was to introduce an on-demand type of bus service to remote regions that can be pre-booked for children to travel to mini-school type of events and excursions.

Single parents and large families

Our consultation with community groups raised the difficulties faced by single parents and large families trying to negotiate multiple children, prams and shopping while travelling long distances. In addition, the cost of bus fares for large families with children was seen as prohibitive. One community group noted that it was difficult for large families to afford bus fares to visit family or go on family outings during school holidays.⁹ Their suggestion was to allow children to travel free on weekends and school holidays using the free school passes.

International migrants settling in regional areas

The Coffs Harbour City Council noted that transport can be a key barrier to achieving settlement outcomes in regional areas. For some of the international migrants, obtaining an Australian drivers licence is time consuming. The council points to the need for affordable public transport services to help new migrants to access services, schools and employment.¹⁰

⁸ Feedback from consultation with ICPA, 12 August 2020.

⁹ Feedback from consultation with Social Futures, Northern Rivers Regions Council, 5 August 2020.

¹⁰ Coffs Harbour City Council submission to IPART's Issues Paper, p 6.

Prisoners who have recently left prison are often reliant on buses

In its submission to the Issues Paper, Legal Aid noted that people just released from prison are typically provided with accommodation at caravan parks on the edge of town without access to a vehicle. These people are required to attend the community corrections offices, housing, health services and Services Australia immediately after their release. The only affordable transport option available for these people to get to these places would be to take a bus. Until ex-prisoners have a permanent address they are unable to access concession fares and they need to purchase full-fare tickets for this travel.

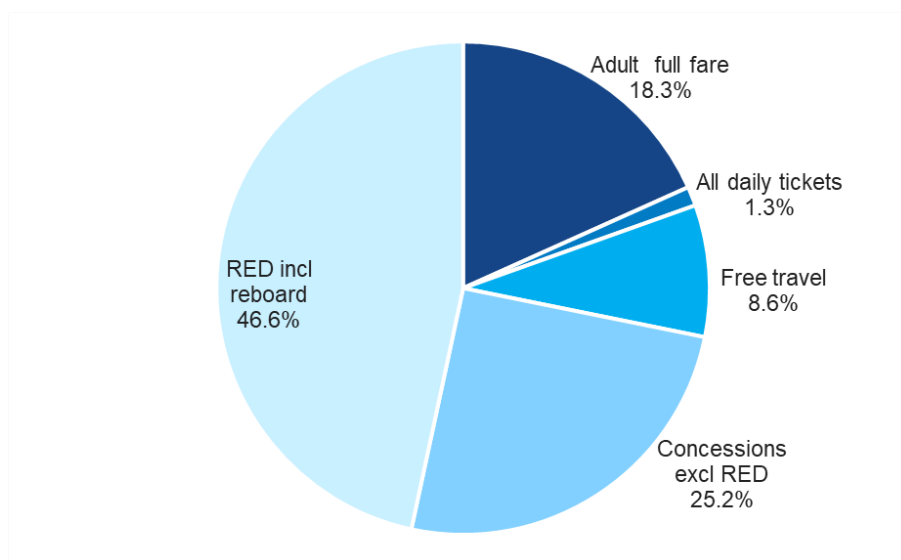
Legal Aid stated that ‘people who choose not to travel because they cannot afford to may fail to keep commitments, such as appearing at court or appointments with community corrections and employment services, and they may lose contact with their support networks such as attending mental health or other medical appointments, or attending drug and alcohol counselling services’. Further, Legal Aid noted that providing concessions to these people in a timely manner is important.¹¹

Bus travel in rural and regional NSW is primarily used by people with greater disadvantage than the general population

Rural and regional bus services are primarily used by people with lower incomes and greater transport disadvantage than the general population in rural and regional NSW. Figure 4 illustrates patronage excluding school students for rural and regional buses for the 2019-20 period. Full fare paying passengers accounted for only 20% of total non-SSTS patronage with the rest eligible for some sort of concession (primarily the RED, senior/pensioner ticket). This picture is very different from travel on buses within the Opal network, where, the majority of people pay the full fare.

¹¹ Legal Aid submission to IPART Issues Paper, August 2020, p 5.

Figure 4 Free and concession travel accounts for 80% of non-school patronage



Source: Transport for NSW, Bus operator data for financial years 2019 and 2020 (average)

We engaged Orima Research (Orima) to conduct a survey to identify the bus use and preferences of people in rural and regional NSW. The survey found that 5.0% of the respondents travelled by bus in the past six months. Table 2 shows some key statistics for those who travelled by bus in the past six months.

Table 2 Summary of recent bus travel by total and supplementary samples (bus users)

Details of the most recent trip	Total main sample	People receiving Centrelink/DVA benefits	People with a disability
Sample size	37	19	9
Bus users within the last week	41% ^a	32%	56%
Main purpose of bus use	Shopping – 35% Social recreation - 19%	Shopping – 47% Medical – 16%	Shopping– 44% Medical – 33%
Fares/ type of ticket			
Used RED ticket	16%	26%	22%
Free	16%	7%	-
Less than \$2 fare (including free travel)	32%	36%	57%

^a This is the percentage of people that used a bus within the past six months out of the total sample of bus users.

Source: Orima Research, Survey of rural and regional buses and on-demand transport services, 21 August 2020

Stakeholders support extending the eligibility for concession fares

Legal Aid NSW supports concession eligibility for Health Care Card holders, in particular because it would facilitate better access to concession fares in regional areas for people who are leaving prison, which would improve their ability to access supports and reintegrate into the community.¹² Kempsey Shire Council stated it would strongly support any initiatives that ensure equity and affordability for all user groups, especially low income groups, people with disabilities and other disadvantaged people. Council also supports continued subsidisation of bus fares via health card and pension cards.¹³

BusNSW supports IPART's recommendations aimed at improving the accessibility of public transport for those groups within society who find public transport unaffordable. ...BusNSW does not have access to the data necessary to determine the impact on fare revenue and Government funding, though operators would need to be compensated through an agreed process for any loss in fares that occurs as a result of the broadening of concession eligibility.¹⁴

Action for Public Transport favours consistency of concession arrangements between urban, regional and rural areas.¹⁵

NCOSS supports extending concessional fare eligibility to all Health Care Card holders and recommends that opportunities to extend the availability of RED concessional pricing for Jobseeker recipients should be examined.¹⁶ NCOSS considers that in the current COVID scenario this is a real necessity as a lack of transport can have a significant impact on social isolation, inclusion, and the ability to be connected to friends, with more financial pressure, less opportunity to catch up with friends and family and the subsequent impact on mental wellbeing. While NCOSS noted the more affordable fares since the last fare review, it considers longer distances fares still expensive and is supportive of fare caps similar to those applying on the Opal network.¹⁷

Other stakeholders also support extending the availability of the RED fare. Lismore City Council is of the view that:

...many low income earners are not eligible for the \$2.50 RED ticket and can't afford a full fare. An extension of the RED ticket to job seekers, students and other transport disadvantaged groups would make bus services more affordable.¹⁸

¹² Legal Aid NSW submission to IPART Issues Paper, August 2020, pp 2-3.

¹³ Kempsey Shire Council submission to IPART Issues Paper, August 2020, p 2.

¹⁴ BusNSW submission to IPART Issues Paper, August 2020, p 10.

¹⁵ Action for Public Transport submission to IPART Issues Paper, August 2020, p 5.

¹⁶ NCOSS submission to IPART Issues Paper, August 2020, pp 6-7.

¹⁷ IPART meeting with NCOSS, 31 July 2020.

¹⁸ Lismore City Council submission to IPART Issues Paper, August 2020, p 1.

The Council on the Ageing considers that it is important to keep parity with the concessions for seniors available in other states and territories which, in some cases, provide free travel during off-peak periods.¹⁹ While we recognise this view, we also note the views of other stakeholders, eg, Social Futures – Northern Rivers Regional, which considers that all people on a low income (such as job seekers, people experiencing homelessness, and international and local students) would benefit from being eligible for the affordable, and good value, \$2.50 RED ticket,²⁰ as well as the Regional Youth Task Force, which points out that pensioners may receive around \$800 per fortnight in benefits while the youth allowance is around \$400, and considers that university students should be eligible for the RED ticket.²¹

Under the current concession arrangements, eligibility for Centrelink customers²² is valid for 90 days only and some Centrelink customers move between ‘eligible’ and ‘ineligible’ within that period as their employment circumstances change.²³ Transport for NSW (TfNSW) undertakes routine checks for eligibility and removes concession entitlements if ineligibility is found. These aspects of the system impose costs on both TfNSW and the customers themselves.

Aligning concession eligibility with a Health Care Card means that there will be fewer people becoming ineligible when their circumstances change slightly – eg, when they pick up casual or intermittent work. It also provides an opportunity to reduce administrative costs as a more stable concession population means fewer concession cancellations and subsequent re-applications (where a person moves in and out of eligibility), and fewer reapplications from people who remain eligible throughout the year.

We consider that eligibility for a Health Care Card is a good identifier for people who need access to discounted fares and note that the Health Care Card is used to access public transport discounts in other parts of Australia (see Box 2 below). We also recognise the potential economic benefits from increasing opportunities for social inclusion in this way (see Chapter 2 of our Draft Report and Information Paper on community benefits).

We acknowledge the views of those stakeholders that support expanding the RED fare to half-fare concession customers (as well as expanding concession eligibility to Commonwealth Health Care Card holders). However we consider that the lower fares we are recommending as well as an expansion in concession eligibility and a lowering of the price of daily tickets will assist in addressing affordability concerns. For example, under our draft recommendations the daily fare for the first two fare bands is \$5, and the concession fare would be \$2.50, ie, commensurate with the current RED ticket fare.

¹⁹ Council on the Ageing submission to IPART Issues Paper, July 2020, p 2.

²⁰ IPART meeting with Social Futures – Northern Rivers Regional, 5 August 2020.

²¹ IPART meeting with Regional Youth Task Force, 11 August 2020.

²² For example, people receiving Job Seeker or Youth allowance payments.

²³ The 90 day validity was raised by Legal Aid NSW in its submission to our Issues Paper. See Legal Aid NSW, Submission to IPART Issues Paper, August 2020, p 3.

Concession fares in NSW are currently available to people with access to the full rate of Centrelink benefits, or who are in full time study or apprenticeship (see Box 2 below). While the same concession eligibility requirements apply across NSW, as fares are distance-based and there is no regulated weekly cap for rural and regional bus services,²⁴ theoretically concession fares could be much higher in rural and regional areas compared to the Opal network. However, we note that most trips, including at concession fares, are taken in the first two fare bands, ie either 1-2 sections or 3-6 sections, where fares are comparable with Opal fares (see the accompanying Information paper on fares).²⁵

We have made a draft recommendation that the availability of concession fares on rural and regional bus services should be extended to all NSW residents holding a current Commonwealth Health Care Card. The eligibility criteria for the Health Care Card are set out in Box 3 below. We estimate that expanding discounts in this way could lead to a reduction in fare revenue of up to \$145,000 (or around 2%) per year. The arrangements for addressing the impact of this on operators are discussed in Chapter 7 of our Draft Report.

The effect of expanding access to concession fares

Expanding access to concession (discounted) fares could have a number of effects on patronage and fare revenue (see Box 1 below), however it is difficult to estimate the potential size of these effects with any precision.

There is a case for increasing the availability of discounted fares to passengers who are more price sensitive and have a lower willingness (or ability) to pay. This is because these passengers are expected to undertake additional journeys (and receive the benefits of taking those journeys) without imposing significant additional costs on the public transport system (assuming they are travelling outside of the peak or there is no real peak, as is the case with rural and regional bus services).

The price elasticity of demand measures the responsiveness of demand for a good or service to a change in the price of that good or service. This is an important measure because it can be used to estimate how much more (or less) passengers would use public transport if fares were reduced (or increased).²⁶ The more a passenger's demand for public transport changes as fares change, the more 'elastic' that passenger's demand is considered to be.

²⁴ Noting that some operators do offer a weekly ticket, eg Busways in the North Coast region (see Busways, *Ticketing and Opal – Rural and regional*, accessed 31 August 2020).

²⁵ Although we also note that there may be latent demand, if customers decide not to use rural and regional bus services due to the cost of longer distance trips.

²⁶ It allows us to estimate the impact of fare changes on patronage and revenue.

Box 1 Estimating the impact of our recommendation on patronage and fare revenue

To estimate the patronage and revenue effects of our recommendation to expand access to discounted fares to Health Care Card holders we would need to understand what the counterfactual is for these passengers and how their behaviour may change (ie, how do these people use the public transport system at present and how might they use it with cheaper fares)? If these passengers:

- ▼ Previously didn't travel but now would, then **revenue increases**
- ▼ Undertake the same amount of travel but displace adult fares with the discounted fares, then **revenue decreases**
- ▼ Travel more to keep public transport costs stable but displace adult fares, then this could be **broadly revenue neutral**.

As set out in our Draft Report, we have not observed a material increase in patronage in response to the fare reductions implemented as part of the last review. This suggests that demand is relatively inelastic.²⁷ However, as part of our Opal fare review, we commissioned a consultant – Cambridge Economic Policy Associates and the Hensher Group (CEPA/Hensher Group) – to review Opal usage data to see how people respond to changes in Opal fares and estimate the price elasticity of demand. As part of that work, they conducted a literature review to identify a range of published elasticity estimates for public transport and key issues relating to elasticity estimates.²⁸ CEPA/Hensher Group concluded that:

- ▼ Travellers with relatively low incomes (eg, concession holders, seniors/pensioners) tend to be more responsive to price changes²⁹
- ▼ Elasticities tend to be higher if the starting fare was higher.³⁰

This suggests that reducing fares for people on low incomes could have a greater impact on patronage than fare decreases for the broader community. However, we do not consider that the available evidence is robust enough to estimate how patronage might increase with an expansion of concession availability, particularly for new users. Accordingly, we have not estimated any revenue effects from a potential increase in patronage from new bus users in modelling the impact of our recommendation to expand access to discounted fares.

²⁷ Although we note that demand may not have changed materially due to service issues (eg, frequency and/or convenience of services not meeting customers' needs).

²⁸ Cambridge Economic Policy Associates and the Hensher Group (CEPA/Hensher Group), *Elasticity of Demand for Sydney Public Transport, Final Report*, October 2018, Annex E.

²⁹ CEPA/Hensher Group cites a paper that found the elasticity of bus users ranged from -0.61 for the highest income users to -1.10 for the lowest income users. See CEPA/Hensher Group, p 33.

³⁰ CEPA/Hensher Group, p 34.

We have instead assumed that a proportion of existing users, now eligible for concession fares, travel more and keep their travel costs stable, which could be broadly revenue neutral. For the remaining users, we have assumed that fare revenue reduces, as they maintain their existing level of travel but now pay less for it.

The potential cost of expanding access to discounted fares

We anticipate that there would be some loss in fare revenue associated with providing fare discounts to a broader set of customers.

We estimate that there could be up to around 60,000 people, within the rural and regional bus network area who may be eligible for a Commonwealth Health Care Card but who are not already eligible for a Transport Concession Entitlement card.³¹ This estimate is based on the following available information:

- ▼ Data from the Australian Government Department of Social Services that indicates that, in June, around 142,000 people within the rural and regional bus network area received a payment based on holding a Health Care Card; over 9,000 of these held the Low Income Health Care Card.
- ▼ Australia-wide data on the number of full rate and partial rate Centrelink payment recipients indicates there could be 82,000 people receiving the maximum benefit and who are therefore currently eligible for a Transport Concession Entitlement card.³²
- ▼ This leaves around 60,000 Health Care Card payment recipients that are not currently eligible for a Transport Concession Entitlement card. We note that this number is likely to be overstated. For example, there will be some recipients of Austudy and Youth allowance (included in the Health Care Card numbers) who are already be eligible for a Transport Concession Entitlement card.³³

We do not expect all Health Care Card holders to take up the offer of discounted bus travel. Orima found that 5% of survey respondents had used a rural or regional bus service in the last six months.³⁴ We have used that same proportion here, and assumed that up to 3,000 people would take up a discounted travel offer.

³¹ DSS Payment Demographic Data, [DSS Demographics June 2020\(XLSX\)](#), accessed 22 September 2020 and IPART calculations.

³² Between March 2020 and June 2020 data release this estimate grew by approximately 30,000 people.

³³ Eligibility for Austudy and Youth Allowance covers a number of approved courses of study, including (but not limited to) the full time tertiary study and apprenticeships and traineeships that are currently eligible for a Transport Concession Entitlement card. We do not have a breakdown of these numbers so cannot exclude them from the count.

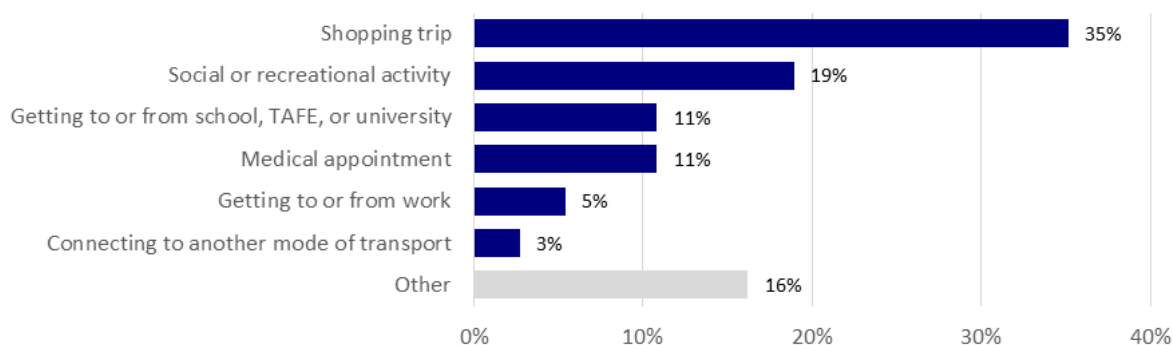
³⁴ Orima Research, *Survey of rural and regional buses and on-demand transport services*, August 2020, p 1.

In its submission to our Issues Paper, NCOSS noted its finding that 40% of people on low incomes had forgone travelling in order to cover other costs.³⁵ This suggests that discounted fares could increase the public transport use of these people. We have assumed that this proportion of people taking up the discounted travel offer (ie, around 1,200 people) make extra trips for no overall change in fare revenue, while the remaining customers (ie, around 1,800 people) make the same trips with some reduction in fare revenue.

To calculate the potential fare revenue reduction we need an assumption around how frequently and how far these customers might travel on rural and regional buses. The Orima survey looked at the purpose of bus users' most recent bus journeys (Figure 5). In general, shopping or social/recreational activities were the most common purposes. However for users receiving Centrelink or DVA benefits, shopping and medical appointments were the most common purposes (see Figure 5 and Table 3 below).

We have assumed these customers make a return journey once a fortnight, in line with the general pattern of travel distance for concession fares across the rural and regional bus network. We estimate that providing these customers with a 50% discount by expanding the current concession availability could cost up to \$145,000 per year in lost fare revenue, a reduction in fare revenue of around 2%.³⁶ We note that due to a lack of information these modelling results are only indicative.

Figure 5 What was the purpose of your most recent bus journey? (Q20, n=37)



Data source: Orima Research, *Survey of rural and regional buses and on-demand transport services*, August 2020, p 14.

³⁵ NCOSS submission to IPART Issues Paper, August 2020, p 4.

³⁶ By way of comparison, assuming a return journey every month could cost up to \$66,500 per year in lost fare revenue (or around 1% of fare revenue).

Table 3 Summary of most recent bus trip by supplementary samples

Details of Most Recent Trip	Total Main Sample	Females	Aged 40+	Centrelink /DVA	Disability
① Sample size	37	25	25	19	9
Main purposes	Shopping – 35% Social/ recreation – 19%	Shopping – 44% Social/ recreation – 16%	Shopping – 36% Medical – 16%	Shopping – 47% Medical – 16%	Shopping – 44% Medical – 33%

Note: Small sample sizes. Interpret patterns with care.

Source: Orima Research, *Survey of rural and regional buses and on-demand transport services*, August 2020, p 17.










Box 2 Current concession and discounted fares for rural and regional bus services

Discounted fares are available to a range of passengers, as shown below. This policy makes public transport services more affordable and accessible for these groups of passengers through cheaper fares.

The concession fares (typically 50% of the adult fare) are available to Transport Concession Entitlement Card holders. These are eligible tertiary or TAFE students (generally those studying full-time), apprentices or trainees, and job seekers or other approved Centrelink customers. For students and apprentices the entitlement is valid for 12 to 15 months and for Centrelink customers for up to 90 days, as long as the holder remains eligible. After this time the holder must reapply online and be reassessed for eligibility. Centrelink customers must be NSW residents who are registered as looking for work and receiving the maximum rate of one of the specified benefits (depending on the benefit additional criteria may apply).

Most other Australian states offer concession fares to a broader subset of passengers. Concession arrangements in Queensland are similar to those in NSW. However, in Victoria, Western Australia, Tasmania, the Australian Capital Territory and the Northern Territory, concession eligibility for public transport services has been extended to people in possession of a Health Care Card.

In addition, a RED ticket allows unlimited daily travel for a fixed \$2.50 fare in rural and regional areas of NSW for holders of a NSW Seniors Card, a Pensioner Concession Card from NSW, Victoria or ACT (issued by Centrelink or the DVA), a NSW War Widow/er Transport Concession Card, some DVA Gold Health Cards or an Asylum Seekers Transport Concession Entitlement Card.

 <p>Children and students</p> <p>Children aged 4-15 and eligible secondary students are entitled to concession fares on public transport in NSW.</p>	 <p>Tertiary and TAFE students</p> <p>Eligible full-time tertiary and TAFE students are entitled to discounted fares on public transport in NSW.</p>	 <p>Veterans and War Widow/ers</p> <p>Ex defence with service related disabilities and NSW War Widow/ers are entitled to a range of free and concession travel.</p>
 <p>Apprentices and trainees</p> <p>Eligible apprentices and trainees are entitled to certain concession fares on most public transport in NSW.</p>	 <p>Seniors</p> <p>Eligible Australian seniors are entitled to concession travel on public transport in NSW.</p>	 <p>Pensioners</p> <p>Eligible pensioners are entitled to certain concession travel on public transport in NSW.</p>
 <p>Centrelink customers</p> <p>NSW residents receiving unemployment or other eligible Commonwealth benefits are entitled to concession fares.</p>	 <p>Asylum seekers</p> <p>Eligible asylum seekers are entitled to concession travel on public transport in NSW.</p>	 <p>People with disabilities</p> <p>People with certain disabilities are entitled to free travel and a range of transport options in NSW.</p>

Sources: NSW Government, *Ticket eligibility and concessions*, accessed 18 August 2020 and *Regional bus tickets and fares*, accessed 18 August 2020.

Queensland Government, *Concessions*, accessed 18 August 2020.

Victorian Government, *Concessions and Free Travel*, accessed 18 August 2020. For non-Myki regional bus services a customer is required to show the relevant card (eg Health Care Card or Pensioner Concession Card) to pay the concession fare.

Western Australian Government, *TransWA fares and concessions*, accessed 18 August 2020. TransWA provides rail and road coach public transport to regional Western Australia.

Tasmanian Government, *Eligibility Requirements for Adult Concession Fares*, accessed 18 August 2020.

ACT Government, *Eligible Concessions*, accessed 18 August 2020.

Northern Territory Government, *Bus tickets and fares*, accessed 18 August 2020.

Box 3 Eligibility criteria for Health Care Cards

You can get a **Health Care Card** if you:

- ▼ Live in Australia
- ▼ Get some payments or supplements from the Department of Human Services
- ▼ Meet the age rules of the payment you get.

Payments or supplements include:

- | | |
|--|-------------------------------|
| ▼ ABSTUDY living allowance | ▼ Newstart Allowance |
| ▼ Austudy | ▼ Partner Allowance |
| ▼ Carer Allowance if you care for a child under 16 | ▼ Parenting Payment partnered |
| ▼ Carer Payment for short term care under 6 months | ▼ Sickness Allowance |
| ▼ Family Tax Benefit Part A at the maximum rate | ▼ Special Benefit |
| ▼ Farm Household Allowance | ▼ Widow Allowance |
| ▼ Mobility Allowance if you don't get Disability Support Pension | ▼ Youth Allowance. |

Your card is valid for one year and will automatically renew if you remain eligible.

You can get a **Low Income Health Care Card** if you're either:

- ▼ Nineteen or older
- ▼ Younger than 19 and are independent
- ▼ Younger than 19 and eligible for Family Tax Benefit.

You must be an Australian resident and live in Australia, or hold one of the following visas:

- ▼ Permanent residence visa holder
- ▼ Special Category visa
- ▼ Partner provisional visa subclass
- ▼ Temporary protection visa.

You must also meet an income test. Your card is valid for one year. You must renew your card each year.

The income test thresholds for the Low Income Health Care Card are set out in the table below. These are gross income amounts, ie, income before taxation. By way of comparison, we note that the average weekly household income in the Greater Sydney area in 2017-18³⁷ is almost three times as much as the low income Health Care Card threshold for a family of two adults and one child, or one adult and two children.³⁸ A single person with income at the current threshold would have an income of around \$27,500 *after tax* – or around \$530 per week.

Source: Australian Government Department of Human Services, [Concession and Health Care Cards](#), accessed 19 August 2020.

Table 4 **Income test limits for Low Income Health Care Card (*gross income*)**

Status	Weekly income	Income in an 8 week period
Single, no children	\$571	\$4,568
Couple combined, no children	\$985	\$7,880
Single, 1 dependent child	\$985	\$7,880
Couple combined, 1 child	\$1,019	\$8,152
For each extra child, add	\$34	\$272

Source: Australian Government Department of Human services, *Income Test*, accessed 19 August 2020.