

12 October 2022

Annex A

**FACTSHEET**

**Fare Adjustment Formula**

$$0.5cCPI + 0.4WI + 0.1EI + NCF - 0.1\%$$

2022 maximum allowable fare adjustment quantum = 13.5%

| Index   | Weighted Value |
|---|----------------|
| Core Consumer Price Index (cCPI)                          | 0.5%           |
| Wage Index (WI)   | 1.4%           |
| Energy Index (EI)   | 11.7%          |
| Network Capacity Factor (NCF)                             | -              |
| Productivity Extraction (PE)                              | -0.1%          |
| 2022 Fare Adjustment Quantum Generated by Formula         | 13.5%          |
| <b>Quantum carried over from the 2021 Exercise</b>        | -              |
| <b>FRE 2022 Maximum Allowable Fare Adjustment Quantum</b> | <b>13.5%</b>   |

**Core Consumer Price Index (cCPI):** the change in core Consumer Price Index over preceding year; 0.9% in 2021

**Wage Index (WI):** the change in Average Monthly Earnings (Annual National Average) over the preceding year, adjusted to account for any change in the employer’s CPF contribution rate; 3.6% in 2021.

**Energy Index (EI):** the change in Energy Index which is a composite of cost changes in electricity and diesel; 117% in 2021

**Productivity Extraction: 0.1%:** set for 2018 to 2022

**Network Capacity Factor (NCF):** The NCF will be excluded from the computation of fare adjustment quantum for 2022.

1. The Public Transport Council (PTC), in deciding the fare adjustment this year, was guided by the fare formula applicable from 2018 to 2022. For the 2022 Fare Review Exercise, the fare adjustment quantum generated by the formula is 13.5%.
2. The PTC decided to grant a fare adjustment quantum of 2.9%, and carry over the remaining 10.6% to future FREs. Due to the spike in energy prices, the weighted Energy Index (EI) contributed 11.7% to the fare adjustment quantum generated by the formula. To mitigate the impact on commuters, only 1.1% of the EI will be implemented in FRE 2022.
3. The fare adjustment formula protects the interests of commuters by capping the adjustment, rather than leaving it to the operators to pass all costs through to commuters to bear. The fare formula output is contingent on the movement of its component indices.
4. Given that the impact of COVID-19 on ridership continued for the full year of 2021, PTC has decided to apply the same principle and continue to exclude NCF from the computation of this year’s fare adjustment quantum. The fare adjustment formula takes into consideration inflation, wage index, energy index and the network capacity factor (NCF). The NCF is intended to reflect changes in cost due to enhancements in public transport capacity, such as the expansion of the rail network or running more trains and buses, relative to commuter demand. However, the NCF is not designed to track short-term fluctuations in demand and supply. Public transport

ridership remains significantly affected by the pandemic, while bus and train services have continued to operate largely at pre-COVID-19 frequencies. In the 2021 FRE, PTC excluded the NCF for the months of 2020 that were affected by the pandemic (Feb 2020 – Dec 2020).

**Public Transport Fare Affordability**

5. To ensure that public transport fares remain affordable, PTC tracks fare affordability for the second quintile income group households representing the average public transport user, as well as the second decile income group households representing the lower-income public transport user<sup>1</sup>.

6. Public transport fares continue to stay affordable. The public transport affordability indicator shows that households in the second quintile and second decile have been spending proportionately less of their monthly income on public transport fares in recent years (Fig. 1), i.e. public transport has become more affordable for these groups.

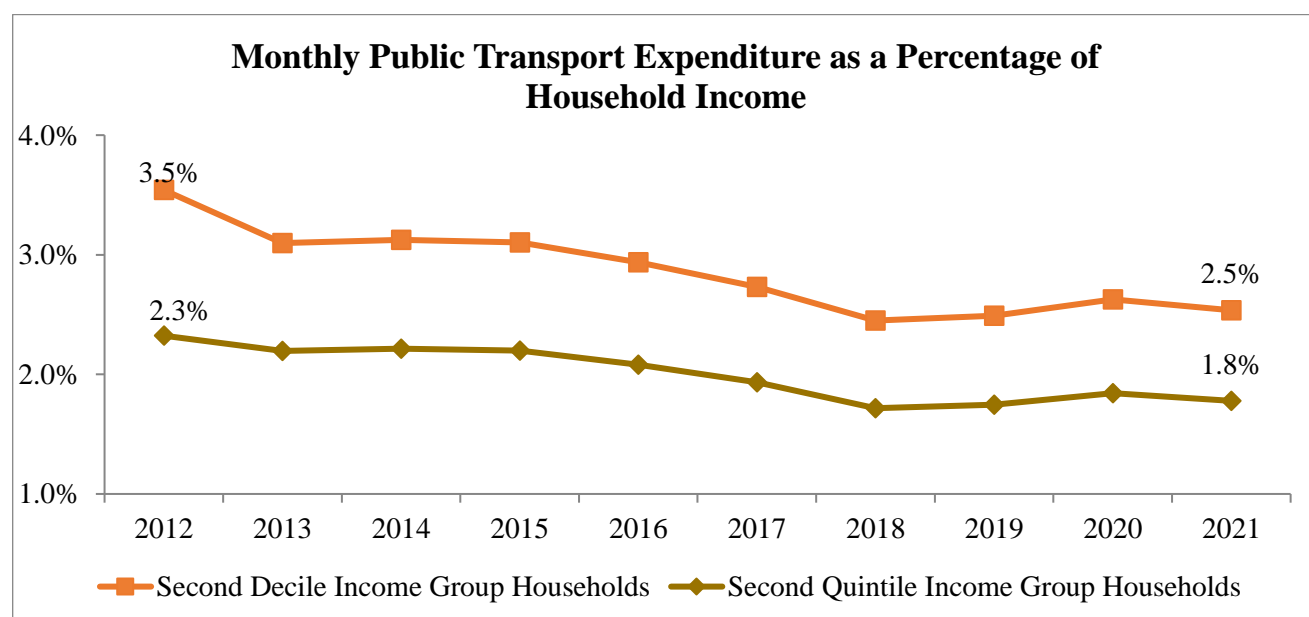


Fig.1 Public Transport Affordability Indicator

**Impact on Commuters**

7. For adult commuters using fare cards, fares will increase by 4 – 5 cents per journey (4-cent increase for journeys equal to or less than 8.2 km, and a 5-cent increase for journeys more than 8.2 km). Commuters paying concession card fares will see an increase of 1 cent per journey.

8. Bus cash fares will remain unchanged.

<sup>1</sup> Statistically, deciles are groups of data that divide a sample of data into ten groups (or ten deciles) based on a particular variable. The first decile refers to the lowest 10th percentile group; the second decile refers to the 11<sup>th</sup> – 20<sup>th</sup> percentile group, and so on. The bottom 60% of households by income make up the majority of public transport users. As such, the second quintile households (21<sup>st</sup> – 40<sup>th</sup> percentile) are taken to represent the average or typical public transport commuter, and second decile households (11<sup>th</sup> – 20<sup>th</sup> percentile) are taken to represent the lower-income public transport user.

### **Monthly Concession Passes**

9. The prices of all Monthly Concession Passes and Monthly Travel Passes will remain unchanged.

### **Impact on Public Transport Operators and Public Transport Fund**

10. The overall fare adjustment of 2.9% translates to an increase in fare revenue of about \$50.3 million a year. The increase in annual revenue for SBS Transit Rail and SMRT Trains is \$7.4 million and \$15.4 million respectively. Fare revenues for bus and Thomson-East Coast Line (TEL) collected by LTA will increase by \$27.5 million, to sustain the cost of their operations, including service payments to the operators.

11. These revenues will not be sufficient to cover the costs of operating high-quality public transport services. The Government therefore continues to extend more than \$2 billion in operating subsidies annually across bus and rail. For 2023, the Government is providing an additional \$200 million in subsidies to cover the increased costs due to the doubling of energy prices, enabling PTC to keep the fare adjustment to 2.9%.

12. PTC, since 2013, has recommended mandatory contributions by the Public Transport Operators to the Public Transport Fund for the years with upward fare adjustments. Taking into consideration the financial position of rail operators, PTC has decided that SBS Transit and SMRT Trains should respectively contribute 5% and 20% of their expected increase in fare revenue to the Public Transport Fund respectively, i.e., \$0.37 million for SBS Transit and \$3.07 million for SMRT Trains.

### **Highlights of Public Transport Operators' Applications**

13. SBS Transit applied for a fare adjustment of 13.5%, citing that ridership still remained below pre-COVID levels and that flexible work arrangements have shifted the travel patterns of commuters. In addition, they are facing increased cost pressures from rising energy costs, global inflation coupled with challenges in hiring and retaining talents. In its latest financial year, SBS Transit's train segment reported a loss of tens of millions of dollars even with Government support for COVID-19.

14. Similarly, SMRT Trains applied for a fare adjustment of 13.5%. The operator cited escalating costs to maintain service reliability, safety standards, intensified cleaning regime and from the surge in energy prices. For its latest financial year, SMRT Trains recorded an operating profit of \$16 million, after taking into account the broad-based Government support for COVID-19.

**PUBLIC TRANSPORT FARES**

**TRAIN FARES**

a) Adult Fare Structure (MRT and LRT)

| Distance          | Fare Per Ride (cents)   |                             |   |                             |
|-------------------|---|-----------------------------|---|-----------------------------|
|                   | Card  |                             |   |                             |
|                   | Current   |                             | Approved  |                             |
|                   | Tap in Before 7.45 am on Weekdays (Excluding Public Holidays) | Tap in at All Other Timings | Tap in Before 7.45 am on Weekdays (Excluding Public Holidays) | Tap in at All Other Timings |
| Up to 3.2 km      | 45  | 95                          | 49  | 99                          |
| 3.3 km – 4.2 km   | 55  | 105                         | 59  | 109                         |
| 4.3 km – 5.2 km   | 65  | 115                         | 69  | 119                         |
| 5.3 km – 6.2 km   | 75  | 125                         | 79  | 129                         |
| 6.3 km – 7.2 km   | 84  | 134                         | 88  | 138                         |
| 7.3 km – 8.2 km   | 91  | 141                         | 95  | 145                         |
| 8.3 km – 9.2 km   | 97  | 147                         | 102   | 152                         |
| 9.3 km – 10.2 km  | 101   | 151                         | 106   | 156                         |
| 10.3 km – 11.2 km | 105   | 155                         | 110   | 160                         |
| 11.3 km – 12.2 km | 109   | 159                         | 114   | 164                         |
| 12.3 km – 13.2 km | 113   | 163                         | 118   | 168                         |
| 13.3 km – 14.2 km | 117   | 167                         | 122   | 172                         |
| 14.3 km – 15.2 km | 122   | 172                         | 127   | 177                         |
| 15.3 km – 16.2 km | 126   | 176                         | 131   | 181                         |
| 16.3 km – 17.2 km | 130   | 180                         | 135   | 185                         |
| 17.3 km – 18.2 km | 134   | 184                         | 139   | 189                         |
| 18.3 km – 19.2 km | 138   | 188                         | 143   | 193                         |
| 19.3 km – 20.2 km | 141   | 191                         | 146   | 196                         |
| 20.3 km – 21.2 km | 144   | 194                         | 149   | 199                         |
| 21.3 km – 22.2 km | 147   | 197                         | 152   | 202                         |
| 22.3 km – 23.2 km | 150   | 200                         | 155   | 205                         |
| 23.3 km – 24.2 km | 152   | 202                         | 157   | 207                         |
| 24.3 km – 25.2 km | 154   | 204                         | 159   | 209                         |
| 25.3 km – 26.2 km | 156   | 206                         | 161   | 211                         |
| 26.3 km – 27.2 km | 157   | 207                         | 162   | 212                         |
| 27.3 km – 28.2 km | 158   | 208                         | 163   | 213                         |
| 28.3 km – 29.2 km | 159   | 209                         | 164   | 214                         |
| 29.3 km – 30.2 km | 160   | 210                         | 165   | 215                         |

|                   |     |     |     |     |
|-------------------|-----|-----|-----|-----|
| 30.3 km – 31.2 km | 161 | 211 | 166 | 216 |
| 31.3 km – 32.2 km | 162 | 212 | 167 | 217 |
| 32.3 km – 33.2 km | 163 | 213 | 168 | 218 |
| 33.3 km – 34.2 km | 164 | 214 | 169 | 219 |
| 34.3 km – 35.2 km | 165 | 215 | 170 | 220 |
| 35.3 km – 36.2 km | 166 | 216 | 171 | 221 |
| 36.3 km – 37.2 km | 167 | 217 | 172 | 222 |
| 37.3 km – 38.2 km | 168 | 218 | 173 | 223 |
| 38.3 km – 39.2 km | 169 | 219 | 174 | 224 |
| 39.3 km – 40.2 km | 170 | 220 | 175 | 225 |
| Over 40.2 km      | 171 | 221 | 176 | 226 |

## b) Senior Citizen Fare Structure (MRT and LRT)

| Distance        | Card Fare Per Ride (cents)                                    |                             |   |                             |
|-----------------|---|-----------------------------|---|-----------------------------|
|                 | Current   |                             | Approved  |                             |
|                 | Tap in Before 7.45 am on Weekdays (Excluding Public Holidays) | Tap in at All Other Timings | Tap in Before 7.45 am on Weekdays (Excluding Public Holidays) | Tap in at All Other Timings |
| Up to 3.2 km    | 10  | 60                          | 11  | 61                          |
| 3.3 km – 4.2 km | 17  | 67                          | 18  | 68                          |
| 4.3 km – 5.2 km | 24  | 74                          | 25  | 75                          |
| 5.3 km – 6.2 km | 31  | 81                          | 32  | 82                          |
| 6.3 km – 7.2 km | 37  | 87                          | 38  | 88                          |
| Over 7.2 km     | 43  | 93                          | 44  | 94                          |

## c) Student Fare Structure (MRT and LRT)

| Distance        | Card Fare Per Ride (cents)                                    |                             |   |                             |
|-----------------|---|-----------------------------|---|-----------------------------|
|                 | Current   |                             | Approved  |                             |
|                 | Tap in Before 7.45 am on Weekdays (Excluding Public Holidays) | Tap in at All Other Timings | Tap in Before 7.45 am on Weekdays (Excluding Public Holidays) | Tap in at All Other Timings |
| Up to 3.2 km    | 0   | 43                          | 0   | 44                          |
| 3.3 km – 4.2 km | 0   | 48                          | 0   | 49                          |
| 4.3 km – 5.2 km | 3   | 53                          | 4   | 54                          |
| 5.3 km – 6.2 km | 8   | 58                          | 9   | 59                          |
| 6.3 km – 7.2 km | 11  | 61                          | 12  | 62                          |
| Over 7.2 km     | 14  | 64                          | 15  | 65                          |

## BUS FARES

### a) Adult Fare Structure (Trunk Services)

| Distance          | Fare Per Ride (cents) |          |      |
|-------------------|-----------------------|----------|------|
|                   | Card                  |          | Cash |
|                   | Current               | Approved |      |
| Up to 3.2 km      | 95                    | 99       | 170  |
| 3.3 km – 4.2 km   | 105                   | 109      | 190  |
| 4.3 km – 5.2 km   | 115                   | 119      | 190  |
| 5.3 km – 6.2 km   | 125                   | 129      | 190  |
| 6.3 km – 7.2 km   | 134                   | 138      | 210  |
| 7.3 km – 8.2 km   | 141                   | 145      | 210  |
| 8.3 km – 9.2 km   | 147                   | 152      | 210  |
| 9.3 km – 10.2 km  | 151                   | 156      | 230  |
| 10.3 km – 11.2 km | 155                   | 160      | 230  |
| 11.3 km – 12.2 km | 159                   | 164      | 250  |
| 12.3 km – 13.2 km | 163                   | 168      | 250  |
| 13.3 km – 14.2 km | 167                   | 172      | 250  |
| 14.3 km – 15.2 km | 172                   | 177      | 250  |
| 15.3 km – 16.2 km | 176                   | 181      | 260  |
| 16.3 km – 17.2 km | 180                   | 185      | 260  |
| 17.3 km – 18.2 km | 184                   | 189      | 260  |
| 18.3 km – 19.2 km | 188                   | 193      | 260  |
| 19.3 km – 20.2 km | 191                   | 196      | 270  |
| 20.3 km – 21.2 km | 194                   | 199      | 270  |
| 21.3 km – 22.2 km | 197                   | 202      | 270  |
| 22.3 km – 23.2 km | 200                   | 205      | 270  |
| 23.3 km – 24.2 km | 202                   | 207      | 280  |
| 24.3 km – 25.2 km | 204                   | 209      | 280  |
| 25.3 km – 26.2 km | 206                   | 211      | 280  |
| 26.3 km – 27.2 km | 207                   | 212      | 280  |
| 27.3 km – 28.2 km | 208                   | 213      | 280  |
| 28.3 km – 29.2 km | 209                   | 214      | 280  |
| 29.3 km – 30.2 km | 210                   | 215      | 280  |
| 30.3 km – 31.2 km | 211                   | 216      | 280  |
| 31.3 km – 32.2 km | 212                   | 217      | 280  |
| 32.3 km – 33.2 km | 213                   | 218      | 280  |
| 33.3 km – 34.2 km | 214                   | 219      | 280  |
| 34.3 km – 35.2 km | 215                   | 220      | 280  |
| 35.3 km – 36.2 km | 216                   | 221      | 280  |

|                   |     |     |     |
|-------------------|-----|-----|-----|
| 36.3 km – 37.2 km | 217 | 222 | 280 |
| 37.3 km – 38.2 km | 218 | 223 | 280 |
| 38.3 km – 39.2 km | 219 | 224 | 280 |
| 39.3 km – 40.2 km | 220 | 225 | 280 |
| Over 40.2 km      | 221 | 226 | 280 |

b) Adult Fare Structure (Feeder Services)

| Distance              | Card    |          | Cash |
|-----------------------|---------|----------|------|
|                       | Current | Approved |      |
| Fare Per Ride (cents) | 95      | 99       | 170  |

c) Senior Citizen Fare Structure (Trunk Services)

| Distance        | Fare Per Ride (cents) |          |      |
|-----------------|-----------------------|----------|------|
|                 | Card                  |          | Cash |
|                 | Current               | Approved |      |
| Up to 3.2 km    | 60                    | 61       | 120  |
| 3.3 km – 4.2 km | 67                    | 68       | 120  |
| 4.3 km – 5.2 km | 74                    | 75       | 120  |
| 5.3 km – 6.2 km | 81                    | 82       | 120  |
| 6.3 km – 7.2 km | 87                    | 88       | 150  |
| Over 7.2 km     | 93                    | 94       | 150  |

d) Senior Citizen Fare Structure (Feeder Services)

| Description           | Card    |          | Cash |
|-----------------------|---------|----------|------|
|                       | Current | Approved |      |
| Fare Per Ride (cents) | 60      | 61       | 120  |

e) Student Fare Structure (Trunk Services)

| Distance        | Fare Per Ride (cents) |          |      |
|-----------------|-----------------------|----------|------|
|                 | Card                  |          | Cash |
|                 | Current               | Approved |      |
| Up to 3.2 km    | 43                    | 44       | 85   |
| 3.3 km – 4.2 km | 48                    | 49       | 85   |
| 4.3 km – 5.2 km | 53                    | 54       | 85   |
| 5.3 km – 6.2 km | 58                    | 59       | 85   |
| 6.3 km – 7.2 km | 61                    | 62       | 105  |
| Over 7.2 km     | 64                    | 65       | 105  |

f) Student Fare Structure (Feeder Services)

| Description           | Card    |          | Cash |
|-----------------------|---------|----------|------|
|                       | Current | Approved |      |
| Fare Per Ride (cents) | 43      | 44       | 85   |

g) Adult Fare Structure (Express Services)

| Distance          | Fare Per Ride (cents) |          |      |
|-------------------|-----------------------|----------|------|
|                   | Card                  |          | Cash |
|                   | Current               | Approved |      |
| Up to 3.2 km      | 155                   | 159      | 250  |
| 3.3 km – 4.2 km   | 165                   | 169      | 250  |
| 4.3 km – 5.2 km   | 175                   | 179      | 250  |
| 5.3 km – 6.2 km   | 185                   | 189      | 250  |
| 6.3 km – 7.2 km   | 194                   | 198      | 250  |
| 7.3 km – 8.2 km   | 201                   | 205      | 250  |
| 8.3 km – 9.2 km   | 207                   | 212      | 265  |
| 9.3 km – 10.2 km  | 211                   | 216      | 265  |
| 10.3 km – 11.2 km | 215                   | 220      | 265  |
| 11.3 km – 12.2 km | 219                   | 224      | 280  |
| 12.3 km – 13.2 km | 223                   | 228      | 280  |
| 13.3 km – 14.2 km | 227                   | 232      | 280  |
| 14.3 km – 15.2 km | 232                   | 237      | 280  |
| 15.3 km – 16.2 km | 236                   | 241      | 295  |
| 16.3 km – 17.2 km | 240                   | 245      | 295  |
| 17.3 km – 18.2 km | 244                   | 249      | 295  |
| 18.3 km – 19.2 km | 248                   | 253      | 295  |
| 19.3 km – 20.2 km | 251                   | 256      | 310  |
| 20.3 km – 21.2 km | 254                   | 259      | 310  |
| 21.3 km – 22.2 km | 257                   | 262      | 310  |
| 22.3 km – 23.2 km | 260                   | 265      | 310  |
| 23.3 km – 24.2 km | 262                   | 267      | 330  |
| 24.3 km – 25.2 km | 264                   | 269      | 330  |
| 25.3 km – 26.2 km | 266                   | 271      | 330  |
| 26.3 km – 27.2 km | 267                   | 272      | 330  |
| 27.3 km – 28.2 km | 268                   | 273      | 330  |
| 28.3 km – 29.2 km | 269                   | 274      | 330  |
| 29.3 km – 30.2 km | 270                   | 275      | 330  |
| 30.3 km – 31.2 km | 271                   | 276      | 330  |
| 31.3 km – 32.2 km | 272                   | 277      | 330  |



|                   |     |     |     |
|-------------------|-----|-----|-----|
| 32.3 km – 33.2 km | 273 | 278 | 330 |
| 33.3 km – 34.2 km | 274 | 279 | 330 |
| 34.3 km – 35.2 km | 275 | 280 | 330 |
| 35.3 km – 36.2 km | 276 | 281 | 330 |
| 36.3 km – 37.2 km | 277 | 282 | 330 |
| 37.3 km – 38.2 km | 278 | 283 | 330 |
| 38.3 km – 39.2 km | 279 | 284 | 330 |
| 39.3 km – 40.2 km | 280 | 285 | 330 |
| Over 40.2 km      | 281 | 286 | 330 |

h) Senior Citizen Fare Structure (Express Services)

| Distance        | Card Fare Per Ride (cents) |          |
|-----------------|----------------------------|----------|
|                 | Current                    | Approved |
| Up to 3.2 km    | 105                        | 106      |
| 3.3 km – 4.2 km | 112                        | 113      |
| 4.3 km – 5.2 km | 119                        | 120      |
| 5.3 km – 6.2 km | 126                        | 127      |
| 6.3 km – 7.2 km | 132                        | 133      |
| Over 7.2 km     | 138                        | 139      |

i) Student Fare Structure (Express Services)

| Distance        | Card Fare Per Ride (cents) |          |
|-----------------|----------------------------|----------|
|                 | Current                    | Approved |
| Up to 3.2 km    | 73                         | 74       |
| 3.3 km – 4.2 km | 78                         | 79       |
| 4.3 km – 5.2 km | 83                         | 84       |
| 5.3 km – 6.2 km | 88                         | 89       |
| 6.3 km – 7.2 km | 91                         | 92       |
| Over 7.2 km     | 94                         | 95       |

**MONTHLY PASSES** – *remain unchanged*

a) Bus Monthly Concession Passes

| <b>Cardholders</b>            | <b>Price</b> |
|-------------------------------|--------------|
| Primary Student               | \$24.00      |
| Secondary Student             | \$29.00      |
| Polytechnic Student           | \$29.00      |
| University Student            | \$55.50      |
| Full-time National Serviceman | \$55.50      |

b) Train Monthly Concession Passes

| <b>Cardholders</b>            | <b>Price</b> |
|-------------------------------|--------------|
| Primary Student               | \$21.00      |
| Secondary Student             | \$26.50      |
| Polytechnic Student           | \$26.50      |
| University Student            | \$48.00      |
| Full-time National Serviceman | \$48.00      |

c) Hybrid Monthly Concession Passes and Adult Monthly Travel Pass

| <b>Cardholders</b>            | <b>Price</b> |
|-------------------------------|--------------|
| Primary Student               | \$43.50      |
| Secondary Student             | \$54.00      |
| Polytechnic Student           | \$54.00      |
| University Student            | \$90.50      |
| Full-time National Serviceman | \$90.50      |
| Adult (Monthly Travel Pass)   | \$128.00     |
| Senior Citizen                | \$64.00      |