

PUBLIC TRANSPORT COUNCIL

510 Thomson Road #12-03 SLF Building Singapore 298135

Tel: (65) 6354 9020 Fax: (65) 6258 5463

Website: www.ptc.gov.sg Email: ptc_office@ptc.gov.sg

News Release

NO FARE INCREASE FOR MORE THAN 1.1 MILLION COMMUTERS

*Lower-Wage Workers, Persons with Disabilities, Senior Citizens,
Young Children and Commuters using Monthly Concession Passes Shielded*

*Public Transport Operators to Contribute
\$13.5 million to Public Transport Fund*

The Public Transport Council (PTC) has concluded the 2014 Fare Review Exercise. Guided by the fare adjustment formula and fare review mechanism from the Fare Review Mechanism Committee, the PTC decided to grant an overall net fare adjustment of 2.8%. This is the combined fare adjustment aggregated from the 3.4% carried over from the 2013 Fare Review Exercise¹, and the 2014 fare adjustment quantum which is -0.6%². Central to the PTC's recommendations is the principle that fares should be kept affordable for lower income households while ensuring the viability and sustainability of the public transport system.

2 The PTC has also decided to freeze senior citizen fares and the prices of existing travel concession passes, noting that the Government has decided to do likewise for the two Government-funded schemes for Lower-Wage Workers and Persons with Disabilities. In total, more than 1.1 million commuters will see their fares unchanged.

3 From 5 April 2015, adult card fares for buses and trains will increase by 2 to 5 cents while student concessionary fares will increase by 1 cent. The prices of all monthly

¹ The Public Transport Council (PTC) granted an overall fare adjustment of 3.2% in the 2013 Fare Review Exercise. This was about half of the combined 2012 and 2013 fare adjustment quantum of 6.6%, with the remainder of 3.4% carried over to the 2014 Fare Review Exercise to be considered together with the 2014 fare adjustment quantum.

² The 2014 fare adjustment quantum is negative due to the negative full-year energy index in 2013. The lower energy prices in 2014 will be reflected in the 2015 fare adjustment quantum, which can be determined only around April 2015. Based on currently available data and estimates, the quantum is expected to be in the region of -1%.

concession passes for adults, national servicemen, senior citizens and students will remain the same.

4 Cash fares for adult bus and train rides will increase by 10 cents, while senior citizen and student cash fares will remain unchanged. Commuters are strongly encouraged to use contactless smart cards, instead of paying cash fares, to enjoy lower fares for travel on public transport.

5 The PTC is also pleased to note that the Government will be introducing new off-peak travel passes for adults, Persons with Disabilities and senior citizens. These monthly passes will allow commuters who travel frequently during off-peak periods to save on their travel expenditures.

Approved Fare Adjustment Tables

6 The approved bus and train fares, which will take effect on 5 April 2015, are set out in **Annex A**.

Ensuring Fare Affordability

7 Bus and train fares continue to be affordable, even for lower income groups, as household income growth has generally outpaced household expenditure in public transport. In 2013, the second quintile and second decile households³ spent 2.2% and 3.1% of their monthly income on public transport, down from 3.2% and 4.6% in 2003. In fact, the proportion of their monthly income spent on public transport has been on a consistent downward trend since 2003.

8 Nevertheless, we will need to ensure that help continues to be available for needy commuters. As part of the fare review exercise, the two public transport operators will be required to contribute a portion of the increased fare revenue to the Public Transport Fund. Having considered their financial positions, the PTC decided that SBS Transit and SMRT should respectively contribute \$5.5 million and \$8.0 million of the increased fare revenue

³ Second quintile households refer to the 21st to 40th income percentile of resident households and they are typical public transport users. The PTC also tracks the second decile (11th to 20th income percentile) households to better ensure affordability of our public transport fares for low-income groups.

to the Public Transport Fund for this exercise, or a total of \$13.5 million. This is \$2 million more than their contribution last year. The PTC notes that the Government will utilise the Public Transport Fund to provide Public Transport Vouchers to lower-income households to mitigate the increase in their travel expenditure.

9 Mr Richard Magnus, Chairman of the PTC said,

“In approving the fare increase and deciding on the quantum, the Council made a concerted effort to minimise the impact on commuters, even to the extent of insulating some from the increase altogether. Overall, the fare adjustments for the 2014 fare exercise are lower than last year's adjustments. I am always very concerned not only with making transport fares affordable, but making sure that our low income families who need more assistance will be looked after. The contributions to the Public Transport Fund by the operators will help defray the travel expenditure of these needy families.”

10 More details of PTC's considerations for the 2014 Fare Review Exercise and highlights of the operators' applications are contained in the attached **Fact Sheet**.

For enquiries, please contact:

Agnes Ng, Deputy Head (Corporate Communications and Management)

Tel: 6354 9025

E-mail: ptc_office@ptc.gov.sg

Fax no: 6258 5463

APPROVED BUS FARES (w.e.f. 5 April 2015)

a) Adult Fare Structure (Trunk Services)

Distance	Fare Per Ride (cent)					
	Card			Cash		
	Current	Approved	Change	Current	Approved	Change
Up to 3.2 km	77	79	2	130	140	10
3.3 km – 4.2 km	87	90	3	150	160	
4.3 km – 5.2 km	98	101		150	160	
5.3 km – 6.2 km	108	112	4	150	160	
6.3 km – 7.2 km	116	120		170	180	
7.3 km – 8.2 km	123	127		170	180	
8.3 km – 9.2 km	129	133		190	200	
9.3 km – 10.2 km	133	138	5	190	200	
10.3 km – 11.2 km	137	142		190	200	
11.3 km – 12.2 km	141	146		210	220	
12.3 km – 13.2 km	145	150		210	220	
13.3 km – 14.2 km	149	154		210	220	
14.3 km – 15.2 km	153	158		210	220	
15.3 km – 16.2 km	157	162		220	230	
16.3 km – 17.2 km	161	166		220	230	
17.3 km – 18.2 km	165	170		220	230	
18.3 km – 19.2 km	169	174		220	230	
19.3 km – 20.2 km	172	177		230	240	
20.3 km – 21.2 km	175	180		230	240	
21.3 km – 22.2 km	178	183		230	240	
22.3 km – 23.2 km	181	186		230	240	
23.3 km – 24.2 km	183	188		240	250	
24.3 km – 25.2 km	185	190		240	250	
25.3 km – 26.2 km	187	192	240	250		
26.3 km – 27.2 km	188	193	240	250		
27.3 km – 28.2 km	189	194	240	250		
28.3 km – 29.2 km	190	195	240	250		
29.3 km – 30.2 km	191	196	240	250		
30.3 km – 31.2 km	192	197	240	250		
31.3 km – 32.2 km	193	198	240	250		
32.3 km – 33.2 km	194	199	240	250		
33.3 km – 34.2 km	195	200	240	250		
34.3 km – 35.2 km	196	201	240	250		
35.3 km – 36.2 km	197	202	240	250		
36.3 km – 37.2 km	198	203	240	250		
37.3 km – 38.2 km	199	204	240	250		
38.3 km – 39.2 km	200	205	240	250		
39.3 km – 40.2 km	201	206	240	250		
Over 40.2 km	202	207	240	250		

b) Adult Fare Structure (Feeder Services)

Description	Card			Cash		
	Current	Approved	Change	Current	Approved	Change
Fare Per Ride (cent)	77	79	2	130	140	10

c) Senior Citizen Fare Structure (Trunk Services)

Distance	Fare Per Ride (cent)				
	Card			Cash	
Up to 3.2 km	56	No change		100	No change
3.3 km – 4.2 km	64			100	
4.3 km – 5.2 km	71			100	
5.3 km – 6.2 km	79			100	
6.3 km – 7.2 km	84			130	
Over 7.2 km	90			130	

d) Senior Citizen Fare Structure (Feeder Services)

Description	Card		Cash	
Fare Per Ride (cent)	56	No change	100	No change

e) Student Fare Structure (Trunk Services)

Distance	Fare Per Ride (cent)				
	Card			Cash	
	Current	Approved	Change		
Up to 3.2 km	38	39	1	65	No change
3.3 km – 4.2 km	43	44		65	
4.3 km – 5.2 km	48	49		65	
5.3 km – 6.2 km	53	54		65	
6.3 km – 7.2 km	57	58		85	
Over 7.2 km	60	61		85	

f) Student Fare Structure (Feeder Services)

Description	Card			Cash	
	Current	Approved	Change		
Fare Per Ride (cent)	38	39	1	65	No change

g) Adult Fare Structure (Express Services)

Distance	Fare Per Ride (cent)					
	Card			Cash		
	Current	Approved	Change	Current	Approved	Change
Up to 3.2 km	137	139	2	210	220	10
3.3 km – 4.2 km	147	150	3	210	220	
4.3 km – 5.2 km	158	161		210	220	
5.3 km – 6.2 km	168	172	4	210	220	
6.3 km – 7.2 km	176	180		210	220	
7.3 km – 8.2 km	183	187		210	220	
8.3 km – 9.2 km	189	193		225	235	
9.3 km – 10.2 km	193	198	5	225	235	
10.3 km – 11.2 km	197	202		225	235	
11.3 km – 12.2 km	201	206		240	250	
12.3 km – 13.2 km	205	210		240	250	
13.3 km – 14.2 km	209	214		240	250	
14.3 km – 15.2 km	213	218		240	250	
15.3 km – 16.2 km	217	222		255	265	
16.3 km – 17.2 km	221	226		255	265	
17.3 km – 18.2 km	225	230		255	265	
18.3 km – 19.2 km	229	234		255	265	
19.3 km – 20.2 km	232	237		270	280	
20.3 km – 21.2 km	235	240		270	280	
21.3 km – 22.2 km	238	243		270	280	
22.3 km – 23.2 km	241	246		270	280	
23.3 km – 24.2 km	243	248		290	300	
24.3 km – 25.2 km	245	250		290	300	
25.3 km – 26.2 km	247	252	290	300		
26.3 km – 27.2 km	248	253	290	300		
27.3 km – 28.2 km	249	254	290	300		
28.3 km – 29.2 km	250	255	290	300		
29.3 km – 30.2 km	251	256	290	300		
30.3 km – 31.2 km	252	257	290	300		
31.3 km – 32.2 km	253	258	290	300		
32.3 km – 33.2 km	254	259	290	300		
33.3 km – 34.2 km	255	260	290	300		
34.3 km – 35.2 km	256	261	290	300		
35.3 km – 36.2 km	257	262	290	300		
36.3 km – 37.2 km	258	263	290	300		
37.3 km – 38.2 km	259	264	290	300		
38.3 km – 39.2 km	260	265	290	300		
39.3 km – 40.2 km	261	266	290	300		
Over 40.2 km	262	267	290	300		

h) Senior Citizen Fare Structure (Express Services)

Distance	Card Fare Per Ride (cent)	No change
Up to 3.2 km	101	
3.3 km – 4.2 km	109	
4.3 km – 5.2 km	116	
5.3 km – 6.2 km	124	
6.3 km – 7.2 km	129	
Over 7.2 km	135	

i) Student Fare Structure (Express Services)

Distance	Card Fare Per Ride (cent)		
	Current	Approved	Change
Up to 3.2 km	68	69	1
3.3 km – 4.2 km	73	74	
4.3 km – 5.2 km	78	79	
5.3 km – 6.2 km	83	84	
6.3 km – 7.2 km	87	88	
Over 7.2 km	90	91	

APPROVED TRAIN FARES (w.e.f. 5 April 2015)

a) Adult Fare Structure (North East Line, Circle Line and Downtown Line)

Distance	Fare Per Ride (cent)					
	Card			Single Trip Ticket		
	Current	Approved	Change	Current	Approved	Change
Up to 1.0 km	82	84	2	140	150	10
1.1 – 2.0 km	87	89		140	150	
2.1 – 3.2 km	92	94		140	150	
3.3 km – 4.2 km	102	105	3	170	180	
4.3 km – 5.2 km	113	116		170	180	
5.3 km – 6.2 km	123	127	4	170	180	
6.3 km – 7.2 km	131	135		190	200	
7.3 km – 8.2 km	148	152		190	200	
8.3 km – 9.2 km	154	158		210	220	
9.3 km – 10.2 km	158	163	5	210	220	
10.3 km – 11.2 km	162	167		210	220	
11.3 km – 12.2 km	166	171		230	240	
12.3 km – 13.2 km	170	175		230	240	
13.3 km – 14.2 km	174	179		230	240	
14.3 km – 15.2 km	178	183		230	240	
15.3 km – 16.2 km	182	187		240	250	
16.3 km – 17.2 km	186	191		240	250	
17.3 km – 18.2 km	190	195		240	250	
18.3 km – 19.2 km	194	199		240	250	
19.3 km – 20.2 km	197	202		250	260	
20.3 km – 21.2 km	200	205		250	260	
21.3 km – 22.2 km	203	208		250	260	
22.3 km – 23.2 km	206	211		250	260	
23.3 km – 24.2 km	208	213		260	270	
24.3 km – 25.2 km	210	215		260	270	
25.3 km – 26.2 km	212	217		260	270	
26.3 km – 27.2 km	213	218		260	270	
27.3 km – 28.2 km	214	219		260	270	
28.3 km – 29.2 km	215	220		260	270	
29.3 km – 30.2 km	216	221	260	270		
30.3 km – 31.2 km	217	222	260	270		
31.3 km – 32.2 km	218	223	260	270		
32.3 km – 33.2 km	219	224	260	270		
33.3 km – 34.2 km	220	225	260	270		
34.3 km – 35.2 km	221	226	260	270		
35.3 km – 36.2 km	222	227	260	270		
36.3 km – 37.2 km	223	228	260	270		
37.3 km – 38.2 km	224	229	260	270		
38.3 km – 39.2 km	225	230	260	270		
39.3 km – 40.2 km	226	231	260	270		
Over 40.2 km	227	232	260	270		

b) Adult Fare Structure (North-South and East-West Lines, Bukit Panjang LRT, Sengkang-Punggol LRT)

Distance	Fare Per Ride (cent)					
	Card			Single Trip Ticket		
	Current	Approved	Change	Current	Approved	Change
Up to 3.2 km	77	79	2	130	140	10
3.3 km – 4.2 km	87	90	3	150	160	
4.3 km – 5.2 km	98	101		150	160	
5.3 km – 6.2 km	108	112	4	150	160	
6.3 km – 7.2 km	116	120		170	180	
7.3 km – 8.2 km	123	127		170	180	
8.3 km – 9.2 km	129	133		190	200	
9.3 km – 10.2 km	133	138	5	190	200	
10.3 km – 11.2 km	137	142		190	200	
11.3 km – 12.2 km	141	146		210	220	
12.3 km – 13.2 km	145	150		210	220	
13.3 km – 14.2 km	149	154		210	220	
14.3 km – 15.2 km	153	158		210	220	
15.3 km – 16.2 km	157	162		220	230	
16.3 km – 17.2 km	161	166		220	230	
17.3 km – 18.2 km	165	170		220	230	
18.3 km – 19.2 km	169	174		220	230	
19.3 km – 20.2 km	172	177		230	240	
20.3 km – 21.2 km	175	180		230	240	
21.3 km – 22.2 km	178	183		230	240	
22.3 km – 23.2 km	181	186		230	240	
23.3 km – 24.2 km	183	188		240	250	
24.3 km – 25.2 km	185	190		240	250	
25.3 km – 26.2 km	187	192	240	250		
26.3 km – 27.2 km	188	193	240	250		
27.3 km – 28.2 km	189	194	240	250		
28.3 km – 29.2 km	190	195	240	250		
29.3 km – 30.2 km	191	196	240	250		
30.3 km – 31.2 km	192	197	240	250		
31.3 km – 32.2 km	193	198	240	250		
32.3 km – 33.2 km	194	199	240	250		
33.3 km – 34.2 km	195	200	240	250		
34.3 km – 35.2 km	196	201	240	250		
35.3 km – 36.2 km	197	202	240	250		
36.3 km – 37.2 km	198	203	240	250		
37.3 km – 38.2 km	199	204	240	250		
38.3 km – 39.2 km	200	205	240	250		
39.3 km – 40.2 km	201	206	240	250		
Over 40.2 km	202	207	240	250		

c) Senior Citizen Fare Structure (North East Line, Circle Line and Downtown Line)

Distance	Card Fare Per Ride (cent)	No change
Up to 3.2 km	60	
3.3 km – 4.2 km	68	
4.3 km – 5.2 km	75	
5.3 km – 6.2 km	83	
6.3 km – 7.2 km	88	
Over 7.2 km	94	

d) Senior Citizen Fare Structure (North-South and East-West Lines, Bukit Panjang LRT, Sengkang-Punggol LRT)

Distance	Card Fare Per Ride (cent)	No change
Up to 3.2 km	56	
3.3 km – 4.2 km	64	
4.3 km – 5.2 km	71	
5.3 km – 6.2 km	79	
6.3 km – 7.2 km	84	
Over 7.2 km	90	

e) Student Fare Structure (MRT and LRT)

Distance	Card Fare Per Ride (cent)		
	Current	Approved	Change
Up to 3.2 km	38	39	1
3.3 km – 4.2 km	43	44	
4.3 km – 5.2 km	48	49	
5.3 km – 6.2 km	53	54	
6.3 km – 7.2 km	57	58	
Over 7.2 km	60	61	

MONTHLY CONCESSION PASSES (w.e.f. 5 April 2015)

a) Bus Monthly Concession Passes (Unlimited bus rides)

Cardholders	Price	
Primary Student	\$22.50	No change
Secondary Student	\$27.50	
Polytechnic Student	\$27.50	
University Student	\$52.00	
Full-time National Serviceman	\$52.00	

b) Train Monthly Concession Passes (Unlimited train rides)

Cardholders	Price	
Primary Student	\$20.00	No change
Secondary Student	\$25.00	
Polytechnic Student	\$25.00	
University Student	\$45.00	
Full-time National Serviceman	\$45.00	

c) Hybrid Monthly Concession Passes and Adult Monthly Travel Pass (Unlimited bus and train rides)

Cardholders	Price	
Primary Student	\$41.00	No change
Secondary Student	\$51.00	
Polytechnic Student	\$51.00	
University Student	\$85.00	
Full-time National Serviceman	\$85.00	
Adult (Monthly Travel Pass)	\$120.00	
Senior Citizen	\$60.00	

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FACT SHEET

Public Transport Fares to Increase by 2.8% w.e.f. 5 April 2015

Fare Adjustment Formula (2014)

$$= \text{Price Index} - 0.5\% = \mathbf{-0.6\%}$$

Price Index = $0.4\text{cCPI} + 0.4\text{WI} + 0.2\text{EI}$;

0.5%: productivity extraction set for 2013 to 2017.

Core Consumer Price Index (cCPI): the change in core Consumer Price Index over preceding year; 1.7% in 2013.

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; 4.3% in 2013.

Energy Index (EI): the change in Energy Index which is a composite of cost changes in electricity and diesel; -12.6% in 2013.

1. The Public Transport Council (PTC), in deciding the fare adjustment this year, has looked at the fare adjustment formula for 2014 that gives a quantum of -0.6%.

2. The fare adjustment of 2.8% granted by the PTC combines the fare adjustment quantum for 2014 (-0.6%) with the fare adjustment quantum of 3.4% carried over from the 2013 Fare Review Exercise.

3. The fare adjustment formula protects the interests of commuters by capping the

increase, rather than leaving it to the operators to decide what the market can bear. Commuters also benefit via a productivity extraction factor, through which the operators share their productivity gains with commuters.

Checks on Public Transport Fare Affordability

Fare Affordability Indicator (FAI) =

$$\frac{\text{Monthly Household Expenditure on Public Transport}}{\text{Monthly Household Income}}$$

Indicator for second quintile households:

2.2% in 2013 – a downtrend from 3.2% (2003), 3.2% (2004), 3.2% (2005), 3.1% (2006), 3.0% (2007), 2.7% (2008), 2.7% (2009), 2.5% (2010), 2.4% (2011), 2.3% (2012)

Indicator for second decile households:

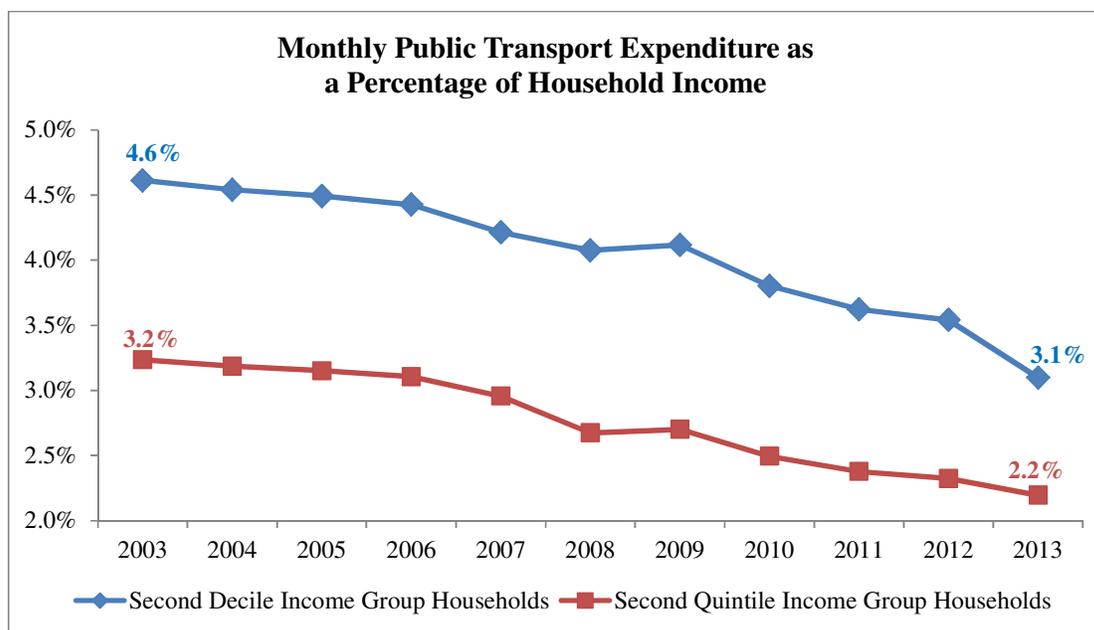
3.1% in 2013 – a downtrend from 4.6% (2003), 4.5% (2004), 4.5% (2005), 4.4% (2006), 4.2% (2007), 4.1% (2008), 4.1% (2009), 3.8% (2010), 3.6% (2011), 3.5% (2012)

4. To ensure that fares remain affordable, the Fare Review Mechanism Committee (FRMC) had recommended that the affordability of public transport fares should be tracked by the PTC in deciding fare adjustments. Fare affordability will be tracked for the second quintile income group households representing the average public transport user, as well as the second decile income group households.

5. With the fare adjustment granted for this exercise, public transport fares continue to stay affordable on the back of general increase in wages. The indicators for the

second quintile households and second decile households show the same downtrend trend from 2003 to 2013⁴. In other words, these households have been spending proportionately less of their monthly income on public transport fares over the last many years, meaning that public transport fares have become more affordable for these groups.

⁴ Data for the FAI is computed based on the findings from the Household Expenditure Survey for 2003, 2008 and 2013 released by the Department of Statistics.



1. Computed using data from Department of Statistics' Household Expenditure Survey (HES) for 2003, 2008 and 2013.
2. Household income refers to income from all sources and includes employers' CPF contributions. Previously, household income from the HES 2003 was published based on income excluding employers' CPF contributions. Data for HES 2003 and 2008 have been revised to include employers' CPF contributions following the latest HES 2013.
3. Decile and quintile are based on ranking of all resident households by their monthly household income from all sources, including employers' CPF contributions, per household member.

Beneficiaries of Concessions

6. As part of the 2014 Fare Review Exercise, there will be no increase in the prices of all monthly concession passes and concessionary fares for senior citizens. The PTC notes also that eligible Lower-Wage Workers and Persons with Disabilities will continue to enjoy the same concessionary fares under the Government-funded concession schemes, and that the Government will introduce new off-peak travel passes for adults, Persons with Disabilities and senior citizens. In total, more than 1.1 million commuters are expected to be shielded from the fare increase.

Impact on Commuters Paying Card Fares

7. For adult commuters, their fares will increase by 2 to 5 cents depending on the travel distance. Student concessionary fares will increase by 1 cent across the board. Senior citizen concessionary fares will remain unchanged.

Commuter Group	Fare Adjustment
Adults	+2 to 5 cents (+2 cents for up to 3.2km; +3 cents for more than 3.2km to 5.2km; +4 cents for more than 5.2km to 9.2km; +5 cents for more than 9.2km)
Students	+1 cent
Senior Citizens	No change

8. Adults and students who are frequent travellers may wish to consider purchasing monthly passes. Offering unlimited bus and train rides, these passes will help commuters cap their monthly fare expenditures.

Impact on Commuters Paying Cash and Single Trip Ticket Fares

9. Adult cash-paying passengers will see an increase of 10 cents. Today, fewer than 3% of total daily trips are made using cash or single trip tickets.

Impact on Public Transport Operators

10. The overall 2.8% fare increase translates to a total fare revenue increase of about \$48.5 million a year. The increase in fare revenue for SBS Transit and SMRT is about \$21.9 million and \$26.6 million respectively.

Contributions to Public Transport Fund

11. To ensure that more resources are available to help those affected by fare increases, the FRMC had recommended mandatory contributions by the public transport operators (PTOs) to the Public Transport Fund as a form of sharing their gains with commuters. The amount of contribution, ranging from 20% to 50% of the fare adjustment granted, could vary depending on the PTOs' profitability.

12. In view of the PTOs' financial position and the granting of the full fare adjustment quantum, the PTC decided that SBS Transit and SMRT are to set aside 25% (or \$5.5 million) and 30% (or \$8.0 million) respectively of the additional fare revenue due to the fare increase. This is higher than the contributions from the 2013 Fare Review Exercise, where SBS Transit and SMRT contributed 20% (or \$7.2 million) and 25% (or \$4.3 million) respectively of the additional fare revenue due to the fare increase.

Highlights of Public Transport Operators' Applications

13. SBS Transit applied for a fare adjustment of 2.8%. Citing the impact of escalating costs, its bus operations first went into the red in 2011 and made a loss in 2013. Staff costs had increased with salary adjustments and higher headcount to cater to a bigger bus fleet. The rail segment went into the red in 2013 due to losses for Downtown Line and rising staff costs for North East Line.

14. SMRT cited declining financial performance for its train business with LRT operations in the red since inception, while its bus business has been loss-making since FY2009. The operator cited mounting pressure in operating costs since FY2010. Major cost items include expansion in fleet size, salary reviews for bus captains, tightening of maintenance regime, and replacement of railway sleepers. SMRT had proposed a fare adjustment of 2.8%.

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