

30 October 2017

# News Release

# LOWER MORNING PRE-PEAK RAIL FARES ISLANDWIDE, OTHER PUBLIC TRANSPORT FARES TO BE MAINTAINED FOR 2018

The Public Transport Council (PTC) has concluded the 2017 Fare Review Exercise. With the roll-over quantum of -1.5% from the 2016 Fare Review Exercise, the fare adjustment quantum to be considered for this year's exercise is -5.4%. In parallel with the Fare Review Exercise, PTC has also reviewed the Free Pre-Peak Travel (FPPT) and Off-Peak Pass (OPP) trials. PTC has decided to:

- a. Lower the rail fares for morning pre-peak travel by up to 50 cents, amounting to a fare adjustment quantum of -2.2%; and
- b. Roll-over the remaining -3.2% of the fare adjustment quantum to the next Fare Review Exercise.
- 2. The above will take effect on 29 December 2017.

# Lower Morning Pre-Peak Card Fares across Rail Network

3. PTC supports the objective of encouraging off-peak travel through differentiated fares, as commuters can benefit from more comfortable, less crowded rides, while public transport resources can be utilised more efficiently.



This is evidenced in other major cities like London and Sydney, which also use differentiated fares.

4. Having reviewed the efficacy of the FPPT and OPP trials in incentivising travel outside of the peak-period windows, PTC found that discounted fares during the morning pre-peak hours have been effective in encouraging rail commuters to travel off-peak, therefore lowering peak travel demand. Since FPPT was introduced in June 2013, there has been a sustained 7% shift of rail trips out of the morning peak hours, even as rail ridership continued to grow over the same period. The Off-Peak Pass trial, on the other hand, has shifted less than 200 rail users to off-peak travel.

5. To encourage even more commuters to travel before the morning peak hours, PTC will introduce lower morning pre-peak card fares across the entire rail network. This will widen the catchment from that of the FPPT trial which is limited to exiting from 18 MRT stations within the city centre only. Commuters who tap in with their fare cards at any rail station before 7.45am on weekdays (excluding public holidays) will enjoy fares that are up to 50 cents lower.<sup>1</sup> PTC will monitor travel patterns and enhance the scheme from time to time. Rail fares outside the eligible timing and bus fares will be unchanged for this Fare Review Exercise.

6. PTC Chairman, Mr Richard Magnus said, "About 300,000 rail commuters already travel before the morning peak and stand to benefit from lower fares.

<sup>&</sup>lt;sup>1</sup> The discount quantum is 50 cents or the fare for the rail leg of the trip, whichever is lower. Please refer to <u>Annex</u> <u>A</u> for examples.

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We hope that the lower morning pre-peak fares will encourage more rail commuters to make the shift to morning pre-peak travel. They can enjoy a more comfortable ride while paying lower fares! Spreading out travel demand in this way will also make more efficient use of our public transport system, as capacity during off-peak periods will be better utilised."

# **Recommendation for Cessation of Free Pre-Peak Travel and Off-Peak Pass**

7. With the introduction of lower morning pre-peak card fares across the rail network, PTC recommends streamlining existing schemes that encourage off-peak travel by ceasing the FPPT and OPP trials.

# **Ensuring a Sustainable Fare System for All**

8. With a fare adjustment quantum of -2.2% utilised to introduce lower morning pre-peak card fares across the entire rail network, the remaining -3.2% of the fare adjustment quantum will be carried forward to the next Fare Review Exercise.

9. In making this recommendation, PTC is mindful that fares are affordable. In fact, household income increases have consistently outpaced changes in public transport expenditure over the past decade, as shown through the Public Transport Fare Affordability Indicator, which tracks fare affordability.<sup>2</sup> The percentage of monthly household incomes spent on public transport has

<sup>&</sup>lt;sup>2</sup> Please refer to Annex B.

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decreased from 3.1% in 2006 to 2.1% in 2016 for second quintile households, and from 4.4% in 2006 to 2.9% in 2016 for second decile households.

10. PTC also recognised the rising cost pressures that came along as the public transport industry pushed to deliver higher service standards. Over the next five years, the government expects to provide \$4 billion in subsidies to public bus services. Over the same period, another \$4 billion will be spent renewing, upgrading and expanding rail operating assets. This is on top of the \$20 billion that will be pumped in to build new public transport infrastructure.

# Annex A: Examples of Lower Morning Pre-Peak Rail Fares Annex B: Factsheet for 2017 Fare Review Exercise Annex C: Approved Bus and Train Fares

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Annex A

#### EXAMPLES OF LOWER MORNING PRE-PEAK RAIL FARES

a) Commuter who taps in before 7.45am at Jurong East MRT station and taps out at Bishan MRT station

Distance: 16.6km

Commuter Group	Current Fare	<b>Discounted Fare*</b> *With lower morning pre- peak rail fare
Adult	\$1.61	\$1.11
Senior Citizen	\$0.87	\$0.37
Student	\$0.58	\$0.08

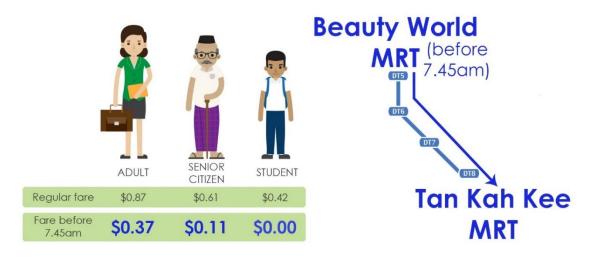




# b) Commuter who taps in before 7.45am at Beauty World MRT station and taps out at Tan Kah Kee MRT station

Distance: 4.1km

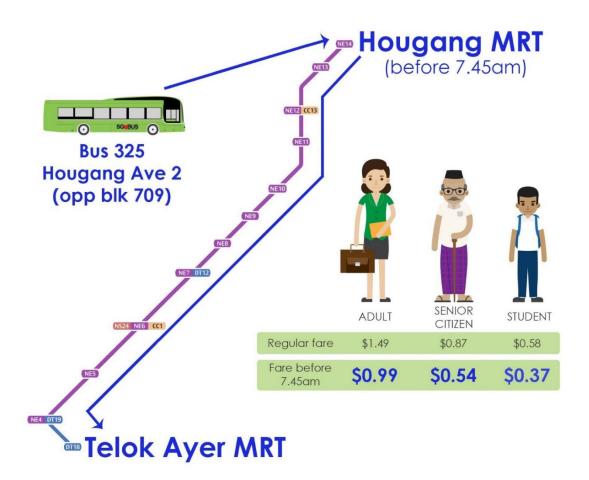
Commuter Group	Current Fare	<b>Discounted Fare*</b> *With lower morning pre- peak rail fare
Adult	\$0.87	\$0.37
Senior Citizen	\$0.61	\$0.11
Student	\$0.42	\$0.00





c) Commuter who boards bus service 325 at Hougang Ave 2 (opp block 709) and alights at Hougang Central Bus Interchange, then taps in before 7.45am at Hougang MRT station and taps out at Telok Ayer MRT station Distance: 1.3km (bus) + 12.5km (train)

Commuter Group	Current Fare	Discounted Fare*
	(Bus + train)	(Bus + train)
		*With lower morning pre-peak
		rail fare
Adult	0.77 + 0.72 = 1.49	\$0.77 + \$0.22 = <b>\$0.99</b>
Senior Citizen	0.54 + 0.33 = 0.87	\$0.54 + \$0 = <b>\$0.54</b>
Student	0.37 + 0.21 = 0.58	\$0.37 + \$0 = <b>\$0.37</b>

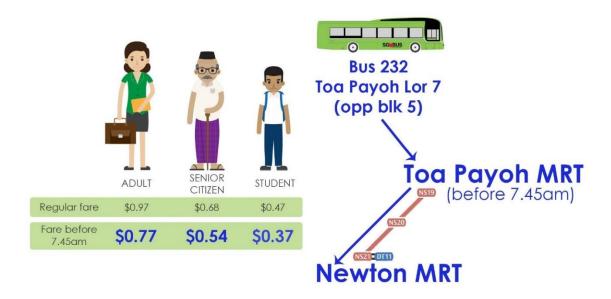




d) Commuter who boards bus service 232 at Toa Payoh Lor 7 (opp block 5) and alights at Toa Payoh Bus Interchange, then taps in at Toa Payoh MRT station before 7.45am and taps out at Newton MRT station

Distance: $2.2$ km (bus) + $2.6$ km (tra	.in)
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Commuter Group	Current Fare	Discounted Fare*
	(Bus + train)	(Bus + train)
		*With lower morning pre-peak
		rail fare
Adult	0.77 + 0.20 = 0.97	\$0.77 + \$0 = <b>\$0.77</b>
Senior Citizen	0.54 + 0.14 = 0.68	\$0.54 + \$0 = <b>\$0.54</b>
Student	0.37 + 0.10 = 0.47	\$0.37 + \$0 = <b>\$0.37</b>





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#### FACTSHEET

#### Fare Adjustment Formula (2017)

#### = Price Index -0.5% = -3.9%

**Price Index** = 0.4cCPI + 0.4WI + 0.2EI;

**0.5%**: productivity extraction set for 2013 to 2017. **Core Consumer Price Index (cCPI)**: the change in core Consumer Price Index over preceding year; 0.9% in 2016.

**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; 3.7% in 2016.

**Energy Index (EI)**: the change in Energy Index which is a composite of cost changes in electricity and diesel; -26.7% in 2016.

1. The Public Transport Council (PTC), in deciding the fare adjustment this year, was guided by the fare adjustment formula which yielded a fare adjustment quantum of -3.9%, and the quantum carried over from 2016 of -1.5%. The aggregated fare adjustment quantum for 2017 is -5.4%.

The PTC has decided to lower the rail fares for morning pre-peak travel with effect from 29 December 2017, amounting to a fare adjustment quantum of -2.2%, and carry over the remaining -3.2% quantum to next year.

#### **Public Transport Fare Affordability**

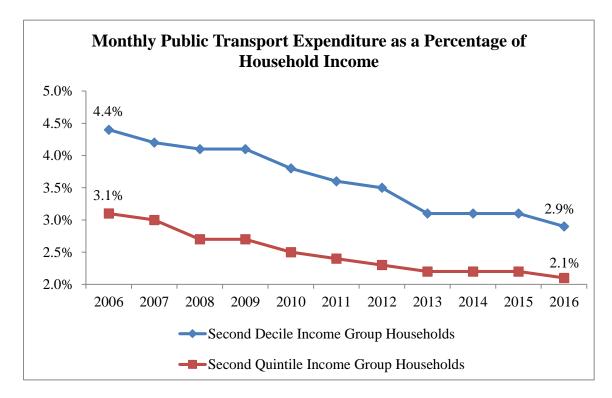
2. Affordability of public transport fares is tracked by the PTC to ensure that fares remain affordable. Fare affordability is tracked for second quintile income group households representing the average public transport user, as well as the second decile income group households representing the lower-income public transport user<sup>3</sup>.

3. Public transport fares continue to stay affordable on the back of general increases in wages. The indicators for second quintile households and second decile households show similar downtrends from 2006 to 2016. In other words, these households have been spending proportionately less of their monthly income on public transport fares in recent years, i.e. public transport has become more affordable for these groups.

<sup>&</sup>lt;sup>3</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 ( $21^{st} - 40^{th}$  percentile) are taken to represent the average or typical public transport commuter, and second decile households ( $11^{th} - 20^{th}$  percentile) are taken to represent the lower-income public transport user.

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#### Lower Morning Pre-Peak Rail Fares for Commuters Using Fare Cards

4. All commuters using fare cards, including senior citizen and student concession card users, will enjoy a discount of up to 50 cents when they tap in at train stations before 7.45am on weekdays (excluding public holidays). Rail fares outside the eligible timing and bus fares will remain unchanged.

#### Monthly Concession Passes

5. The prices of all monthly concession passes and monthly travel passes will remain unchanged.

### Public Transport Fund

6. As fares will be reduced in the 2017 Fare Review Exercise, the public transport operators are not required to contribute to the Public Transport Fund.

#### Impact on Public Transport Operators

7. The overall 2.2% fare reduction translates to a decrease in fare revenue of about \$40.1 million a year. The decrease in annual revenue for Bus, SBS Transit Rail and SMRT Rail is \$20.2 million, \$4.8 million and \$15.1 million respectively.

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Annex C

# BUS FARES (w.e.f. 29 December 2017)\* \*No change

# a) Adult Fare Structure (Trunk Services)

Distance	Fare Per Ride (cent)	
	Card	Cash
Up to 3.2 km	77	140
3.3 km – 4.2 km	87	160
4.3 km – 5.2 km	97	160
5.3 km – 6.2 km	107	160
6.3 km – 7.2 km	116	180
7.3 km – 8.2 km	123	180
8.3 km – 9.2 km	129	180
9.3 km – 10.2 km	133	200
10.3 km – 11.2 km	137	200
11.3 km – 12.2 km	141	220
12.3 km – 13.2 km	145	220
13.3 km – 14.2 km	149	220
14.3 km – 15.2 km	153	220
15.3 km – 16.2 km	157	230
16.3 km – 17.2 km	161	230
17.3 km – 18.2 km	165	230
18.3 km – 19.2 km	169	230
19.3 km – 20.2 km	172	240
20.3 km – 21.2 km	175	240
21.3 km – 22.2 km	178	240
22.3 km – 23.2 km	181	240
23.3 km – 24.2 km	183	250
24.3 km – 25.2 km	185	250
25.3 km – 26.2 km	187	250
26.3 km – 27.2 km	188	250
27.3 km – 28.2 km	189	250
28.3 km – 29.2 km	190	250
29.3 km – 30.2 km	191	250
30.3 km – 31.2 km	192	250
31.3 km – 32.2 km	193	250
32.3 km – 33.2 km	194	250
33.3 km – 34.2 km	195	250
34.3 km – 35.2 km	196	250
35.3 km – 36.2 km	197	250
36.3 km – 37.2 km	198	250
37.3 km – 38.2 km	199	250
38.3 km – 39.2 km	200	250
39.3 km – 40.2 km	201	250
Over 40.2 km	202	250

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#### b) Adult Fare Structure (Feeder Services)

Description	Card	Cash
Fare Per Ride (cent)	77	140

#### c) Senior Citizen Fare Structure (Trunk Services)

Distance	Fare Per Ride (cent)	
Distance	Card	Cash
Up to 3.2 km	54	100
3.3 km – 4.2 km	61	100
4.3 km – 5.2 km	68	100
5.3 km – 6.2 km	75	100
6.3 km – 7.2 km	81	130
Over 7.2 km	87	130

#### d) Senior Citizen Fare Structure (Feeder Services)

Description	Card	Cash
Fare Per Ride (cent)	54	100

#### e) Student Fare Structure (Trunk Services)

Distance	Fare Per Ride (cent)	
Distance	Card	Cash
Up to 3.2 km	37	65
3.3 km – 4.2 km	42	65
4.3 km – 5.2 km	47	65
5.3 km – 6.2 km	52	65
6.3 km – 7.2 km	55	85
Over 7.2 km	58	85

#### f) Student Fare Structure (Feeder Services)

Description	Card	Cash
Fare Per Ride (cent)	37	65



Distance	Fare Per Ride (cent)	
	Card	Cash
Up to 3.2 km	137	220
3.3 km – 4.2 km	147	220
4.3 km – 5.2 km	157	220
5.3 km – 6.2 km	167	220
6.3 km – 7.2 km	176	220
7.3 km – 8.2 km	183	220
8.3 km – 9.2 km	189	235
9.3 km – 10.2 km	193	235
10.3 km – 11.2 km	197	235
11.3 km – 12.2 km	201	250
12.3 km – 13.2 km	205	250
13.3 km – 14.2 km	209	250
14.3 km – 15.2 km	213	250
15.3 km – 16.2 km	217	265
16.3 km – 17.2 km	221	265
17.3 km – 18.2 km	225	265
18.3 km – 19.2 km	229	265
19.3 km – 20.2 km	232	280
20.3 km – 21.2 km	235	280
21.3 km – 22.2 km	238	280
22.3 km – 23.2 km	241	280
23.3 km – 24.2 km	243	300
24.3 km – 25.2 km	245	300
25.3 km – 26.2 km	247	300
26.3 km – 27.2 km	248	300
27.3 km – 28.2 km	249	300
28.3 km – 29.2 km	250	300
29.3 km – 30.2 km	251	300
30.3 km – 31.2 km	252	300
31.3 km – 32.2 km	253	300
32.3 km – 33.2 km	254	300
33.3 km – 34.2 km	255	300
34.3 km – 35.2 km	256	300
35.3 km – 36.2 km	257	300
36.3 km – 37.2 km	258	300
37.3 km – 38.2 km	259	300
38.3 km – 39.2 km	260	300
39.3 km – 40.2 km	261	300
Over 40.2 km	262	300

# g) Adult Fare Structure (Express Services)



# h) Senior Citizen Fare Structure (Express Services)

Distance	Card Fare Per Ride (cent)
Up to 3.2 km	99
3.3 km – 4.2 km	106
4.3 km – 5.2 km	113
5.3 km – 6.2 km	120
6.3 km – 7.2 km	126
Over 7.2 km	132

# i) Student Fare Structure (Express Services)

Distance	Card Fare Per Ride (cent)
Up to 3.2 km	67
3.3 km – 4.2 km	72
4.3 km – 5.2 km	77
5.3 km – 6.2 km	82
6.3 km – 7.2 km	85
Over 7.2 km	88



# TRAIN FARES (w.e.f. 29 December 2017)

#### a) Adult Fare Structure (MRT and LRT)

	Fa	re Per Ride (cent)	
	Card		
Distance	Tap in Before 7.45 am on weekdays (excluding public holidays)	Tap in at All Other Timings	Single Trip Ticket
Up to 3.2 km	27	77	140
3.3 km – 4.2 km	37	87	160
4.3 km – 5.2 km	47	97	160
5.3 km – 6.2 km	57	107	160
6.3 km – 7.2 km	66	116	180
7.3 km – 8.2 km	73	123	180
8.3 km – 9.2 km	79	129	180
9.3 km – 10.2 km	83	133	200
10.3 km – 11.2 km	87	137	200
11.3 km – 12.2 km	91	141	220
12.3 km – 13.2 km	95	145	220
13.3 km – 14.2 km	99	149	220
14.3 km – 15.2 km	103	153	220
15.3 km – 16.2 km	107	157	230
16.3 km – 17.2 km	111	161	230
17.3 km – 18.2 km	115	165	230
18.3 km – 19.2 km	119	169	230
19.3 km – 20.2 km	122	172	240
20.3 km – 21.2 km	125	175	240
21.3 km – 22.2 km	128	178	240
22.3 km – 23.2 km	131	181	240
23.3 km – 24.2 km	133	183	250
24.3 km – 25.2 km	135	185	250
25.3 km – 26.2 km	137	187	250
26.3 km – 27.2 km	138	188	250
27.3 km – 28.2 km	139	189	250
28.3 km – 29.2 km	140	190	250
29.3 km – 30.2 km	141	191	250
30.3 km – 31.2 km	142	192	250
31.3 km – 32.2 km	143	193	250
32.3 km – 33.2 km	144	194	250
33.3 km – 34.2 km	145	195	250
34.3 km – 35.2 km	146	196	250
35.3 km – 36.2 km	147	197	250
36.3 km – 37.2 km	148	198	250
37.3 km – 38.2 km	149	199	250
38.3 km – 39.2 km	150	200	250
39.3 km – 40.2 km	151	201	250
Over 40.2 km	152	202	250

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

Distance	Card Fare Per Ride (cent)	
	Tap in Before 7.45 am on weekdays (excluding public holidays)	Tap in at All Other Timings
Up to 3.2 km	4	54
3.3  km - 4.2  km	11	61
4.3 km – 5.2 km	18	68
5.3 km – 6.2 km	25	75
6.3 km – 7.2 km	31	81
Over 7.2 km	37	87

# c) Student Fare Structure (MRT and LRT)

Distance	Card Fare Per Ride (cent)	
	Tap in Before 7.45 am on weekdays (excluding public holidays)	Tap in at All Other Timings
Up to 3.2 km	0	37
3.3 km – 4.2 km	0	42
4.3 km – 5.2 km	0	47
5.3 km – 6.2 km	2	52
6.3 km – 7.2 km	5	55
Over 7.2 km	8	58



# MONTHLY CONCESSION PASSES (w.e.f. 29 December 2017)\* \*No change

#### a) Bus Monthly Concession Passes

Cardholders	Price
Primary Student	\$22.50
Secondary Student	\$27.50
Polytechnic Student	\$27.50
University Student	\$52.00
Full-time National Serviceman	\$52.00

# b) Train Monthly Concession Passes

Cardholders	Price
Primary Student	\$20.00
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

Candhaldana	Price
Cardholders	
Primary Student	\$41.00
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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