

Fare adjustment formula caps fare increase rather than leave to operators to set

Maximum fare adjustment = Price Index – 1.5%

Price Index = 0.5CPI + 0.5WI;

1.5%: productivity extraction set for 2008 to 2012.

CPI: the change in Consumer Price Index over preceding year; 2.1 % in 2007.

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; 6.9% in 2007.

1. The Public Transport Council (PTC), in deciding whether to grant a fare increase this year, has looked at the fare adjustment formula (Price Index – 1.5 %) which is 3.0% for 2008.

2. This 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 (1.5%), through which the operators share their productivity gains with commuters.

PTC checks on overall economic outlook, affordability and operators' profitability and considerations on the transition to distance-based through fares

GDP growth forecast: 4.0 – 5.0%
- moderated from earlier 4.0 – 6.0%, but still growing

Unemployment rate: 2.1% in 2007
- lower than the unemployment rate for the past 5 years (2002: 3.6%; 2003: 4.0%; 2004: 3.4%; 2005: 3.1%, and 2006: 2.7%)

ROTAs of operators:
8.6% (SBST) and 11.1% (SMRT) for 2007.

Public Transport Affordability Index = Monthly Expenditure on Public Transport Monthly Household Income

Affordability Indicator: 6.2% in 2007 – a steady improvement from 7.0% (2003), 6.8% (2004), 6.6% (2005) and 6.5% (2006).

3. The PTC has taken into account the overall economic conditions, the affordability of public transport fares and made a ROTA reality check when deciding whether or not to allow fare adjustment.

4. The economy has slowed but is still growing. The full-year GDP growth forecast for 2008 has been moderated to 4.0% - 5.0%. The unemployment rate has also come down to 2.1% in 2007.

5. In accordance with the fare review mechanism adopted since 2005, the PTC has assessed that there is no deterioration of affordability of fares. The PTC also made a reality check on PTOs' ROTA (Return on

Total Assets) to further ensure that commuters' interests are protected. The ROTAs (for bus and train operations) are 8.6% for SBST and 11.1% for SMRT³, based on their proforma accounts⁴. The ROTAs were considered not excessive when compared to the returns of other industries with similar risk profiles. The PTC also considered the PTOs' profit levels in light of the sizeable capital investments needed to sustain their operations, such as for bus fleet renewal.

6. The PTC also considered and agreed on the need to increase the transfer rebate and the need for an additional ez-link fare band to smoothen the transition to distance-based through-fares in 2009. Given the prevailing economic conditions and overall cost-of-living issues that commuters face and the fact that the PTOs would benefit in the longer-run from higher ridership on a more integrated public transport system, the PTC has decided that the PTOs should absorb a larger proportion of the transfer rebate increase this year.

³ The ROTA figures are for the financial year ended in December 2007 (for SBST) or March 2008 (for SMRT).

⁴ The proforma accounts reflect the bus and train operations of SBST and SMRT conducted in Singapore, which exclude exceptional items and non-transport activities.

**MAXIMUM BUS FARES FOR BASIC BUS SERVICES
(w.e.f. 1 October 2008)**

a) Adult Fare Structure (Aircon Trunk Services)

Distance Travelled	Fare Per Ride (cent)					
	Ez-link Card			Cash		
	Current	Approved	Change	Current	Approved	Change
4 or less fare stages	67	71	4	90	100	10
4.5 – 7 fare stages	89	93		110	120	
7.5 – 10 fare stages	109	113		130	140	
10.5 – 13 fare stages	119	123		140	150	
13.5 – 18 fare stages	129	133		150	160	
18.5 – 23 fare stages	139	143		160	170	
23.5 – 29 fare stages	148	152		170	180	
29.5 – 35 fare stages	158	162		180	190	
35.5 and more fare stages (new fare band)	158	167	9	180	190	
Transfer Rebate	25	40	15	NA		

b) Adult Fare Structure (Non-Aircon Trunk Services)

Distance Travelled	Fare Per Ride (cent)					
	Ez-link Card			Cash		
	Current	Approved	Change	Current	Approved	Change
4 or less fare stages	62	66	4	80	90	10
4.5 – 7 fare stages	74	78		90	100	
7.5 – 10 fare stages	84	88		100	110	
10.5 – 13 fare stages	94	98		110	120	
13.5 – 18 fare stages	104	108		120	130	
18.5 – 23 fare stages	114	118		130	140	
23.5 – 29 fare stages	123	127		140	150	
29.5 – 35 fare stages	133	137		150	160	
35.5 and more fare stages (new fare band)	133	142	9	150	160	
Transfer Rebate	25	40	15	NA		

c) Adult Fare Structure (Residential Feeder Services)

Type of Bus	Fare Per Ride (cent)					
	Ez-link Card			Cash		
	Current	Approved	Change	Current	Approved	Change
Non-Aircon	62	66	<i>4</i>	80	90	<i>10</i>
Aircon	67	71		90	100	
Transfer Rebate	25	40	<i>15</i>	NA		

d) Jurong Industrial Estate Services (Aircon) Adult Fare Structure

Distance Travelled	Fare Per Ride (cent)					
	Ez-link Card			Cash		
	Current	Approved	Change	Current	Approved	Change
4 or less fare stages	67	71	<i>4</i>	90	100	<i>10</i>
4.5 – 7 fare stages	89	93		110	120	
7.5 – 10 fare stages	109	113		130	140	
10.5 – 13 fare stages	119	123		140	150	
13.5 and more fare stages	129	133		150	160	
Transfer Rebate	25	40	<i>15</i>	NA		

e) Jurong Industrial Estate Services (Non-Aircon) Adult Fare Structure

Distance Travelled	Fare Per Ride (cent)					
	Ez-link Card			Cash		
	Current	Approved	Change	Current	Approved	Change
4 or less fare stages	62	66	<i>4</i>	80	90	<i>10</i>
4.5 – 7 fare stages	74	78		90	100	
7.5 – 10 fare stages	84	88		100	110	
10.5 – 13 fare stages	94	98		110	120	
13.5 and more fare stages	104	108		120	130	
Transfer Rebate	25	40	<i>15</i>	NA		

f) Senior Citizen Concession Fares

Type of Bus	Fare Per Ride (cent)					
	Ez-link Card			Cash		
	Current	Approved	Change	Current	Approved	Change
Non-Aircon	62	66	<i>4</i>	80	90	<i>10</i>
Aircon	67	71		90	100	
Transfer Rebate	25	40	<i>15</i>	NA		

g) Child/Student Fare Structure

Type of Bus	Fare Per Ride (cent)			
	Ez-link Card		Cash	
Non-Aircon	40	No change	45	No change
Aircon	45		55	
Transfer Rebate	10 (<i>No change</i>)		NA	

h) Monthly Concession Passes

Type of Cardholders	Aircon
Primary Student	\$22.50
Secondary Student	\$27.50
Tertiary Student	\$52.00
Full-time National Serviceman	\$61.00

No change

MAXIMUM TRAIN FARES (w.e.f. 1 October 2008)

a) MRT Adult Fare Structure (North-East Line)

Distance Travelled	Fare Per Ride (cent)					
	Ez-link Card			Single Trip Ticket		
	Current	Approved	Change	Current	Approved	Change
Up to 1.0 km	71	75	<i>4</i>	100	110	<i>10</i>
1.01 to 2.0 km	76	81		100	110	
2.01 to 3.2 km	81	85		110	120	
3.21 km to 4.4 km	93	97		130	140	
4.41 km to 5.6 km	103	107		130	140	
5.61 km to 6.4 km	113	117		150	160	
6.41 km to 7.2 km	123	127		150	160	
7.21 km to 8.0 km	133	137		150	160	
8.01 km to 10.4 km	143	147		150	160	
10.41 km to 12.4 km	153	157		170	180	
12.41 km to 14.4 km	158	162		170	180	
14.41 km to 16.5 km	164	168		170	180	
16.51 km to 18.6 km	169	173		170	180	
18.61 km to 20.0 km	175	179		190	200	
Transfer Rebate	25	40	<i>15</i>	NA		

b) MRT Adult Fare Structure (North-South and East-West Lines)

Distance Travelled	Fare Per Ride (cent)					
	Ez-link Card			Single Trip Ticket		
	Current	Approved	Change	Current	Approved	Change
Up to 3.2 km	66	70		90	100	10
3.21 km to 4.4 km	78	82	4	110	120	
4.41 km to 5.6 km	88	92		110	120	
5.61 km to 7.2 km	98	102		130	140	
7.21 km to 8.0 km	108	112		130	140	
8.01 km to 10.4 km	118	122		130	140	
10.41 km to 12.41 km	128	132		150	160	
12.41 km to 14.4 km	133	137		150	160	
14.41 km to 16.5 km	139	143		150	160	
16.51 km to 18.6 km	144	148		150	160	
18.61 km to 21.1 km	150	154		170	180	
21.11 km to 23.6 km	155	159		170	180	
23.61 km to 26.0 km	160	164		170	180	
26.01 km to 28.0 km	165	169		190	200	
28.01 km to 30.0 km	170	174		190	200	
30.01 km to 32.0 km	175	179		190	200	
Over 32.0 km (new)	175	184		9	190	
Transfer Rebate	25	40		15	NA	

c) LRT Adult Fare Structure (Bukit Panjang and Punggol)

Number of Stations	Fare Per Ride (cent)					
	Ez-link Card			Single Trip Ticket		
	Current	Approved	Change	Current	Approved	Change
1 – 5	66	70	4	90	100	10
6 – 7	78	82		100	110	
8 – 9	88	92		110	120	
Transfer Rebate	25	40	15	NA		

d) LRT Adult Fare Structure (Sengkang)

Number of Stations	Fare Per Ride (cent)					
	Ez-link Card			Single Trip Ticket		
	Current	Approved	Change	Current	Approved	Change
1 – 4	66	70	4	90	100	10
5	78	82		100	110	
6 – 7	88	92		110	120	
Transfer Rebate	25	40	15	NA		

e) Senior Citizen Concession Fares

Description	Ez-link Card Fare Per Ride (cent)		
	Current	Approved	Change
North-South and East-West Lines	66	70	4
BPLRT, SKLRT and PGLRT	66	70	
North-East Line	71	75	
Transfer Rebate	25	40	15

f) Child/Student Fare Structure

Distance Travelled	Ez-link Card Fare Per Ride (cent)	
Up to 5.6 km	40	No change
5.61 km to 14.4 km	45	
Over 14.4 km	50	
Transfer Rebate	10 (No change)	

g) Monthly Concession Passes

Type of Cardholders	Current
Primary Student	\$20
Secondary Student	\$25
Tertiary Student	\$45
Full-time National Serviceman	\$50

No change

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