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## **Fares to rise by up to 3 cents from July 1**

**No increase for students, NSmen; concession for senior citizens extended**

**By Christopher Tan and Goh Chin Lian**

BUS and train fares will go up by one to three cents per ride for ez-link cardholders from July 1. Those who use cash or buy single-trip tickets for trains will pay 10 cents more on each ride.

There will be no change for students and national servicemen, as their monthly concession tickets are unaffected by the fare revisions announced by the Public Transport Council (PTC) yesterday.

Concession fares for senior citizens will cost one cent more per ride on ez-link and 10 cents more with cash. But SBS Transit will extend the hours during which the concession is valid for them.

The PTC said the changes will affect 3.4 million of the four million train and bus rides that commuters take each day. For a typical family with two working adults and two children, this will mean spending \$2.20 more each month as their transport bill rises to \$146.30 from \$144.10 previously.

There will be relief for poor families which have trouble coping with the increase. They will receive a \$50 one-off payment from a \$4 million welfare fund set up by the National Trades Union Congress and the Community Development Councils. Transport companies SBS Transit and SMRT have each contributed \$1 million to the fund.

If last year's criteria are used, families which qualify will have a household income that is below \$1,500 a month, or up to \$450 per household member.

The \$50 payment should cover the fare hike for a typical household for nearly two years, according to the PTC's cost increase estimates. Those who need the help can apply through the Community Club in their constituency.

In approving the fare revision, the PTC allowed the maximum 2.4 per cent increase under a new fare adjustment formula that takes into account current economic conditions. Unlike the previous formula that had been in use for seven years, the new one takes into account average wage increases as well as productivity gains of the public transport companies. It also allows for fares to be lowered when the economy slows down.

'Any fare increase, no matter how modest, will have some impact on commuters, especially those from the low-income group,' said PTC chairman Eric Gwee at a press conference yesterday. 'In approving this increase, we have ensured that fares continue to remain affordable to the majority of commuters.'

Still, Member of Parliament Ong Kian Min, who chairs the Government Parliamentary Committee on Transport, was surprised that the PTC allowed the maximum increase. His GPC came up with the new formula, and he pointed out that the maximum under the old method would have been 3.2 per cent. 'I do believe the PTC should award an increase, but I'm surprised they awarded the maximum,' he said.

But public transport operators had said that the rise in fuel prices alone was adding over \$20 million more to their costs a year.

The PTC said the revision would raise each company's fare revenue by \$13 million to \$14 million. Last year, SBS Transit's fare-related revenue was \$572.5 million, while SMRT's was \$589.1 million. It also said the companies' return on total assets (ROTA) - a profitability indicator calculated by dividing net earnings by the sum of assets utilised - was 'reasonable'.

With the exception of SBS Transit's loss-incurring rail business, the bus and train operations here posted a ROTA of between 4.3 and 6.9 per cent last year, the PTC noted. This compared with 4.2-7.8 per cent posted by overseas transport operators like Kowloon Motor Bus Holdings, Canadian Railway and Hong Kong's Mass Transit Railway Corp.