



3/11/2023

Fare affordability in Public Transport

Alberto ALONSO POZA

UITP: WHO WE ARE

We are the only **worldwide network** to bring together all public transport **stakeholders** and all sustainable transport **modes**.



+1,900

MEMBER COMPANIES



FROM
100

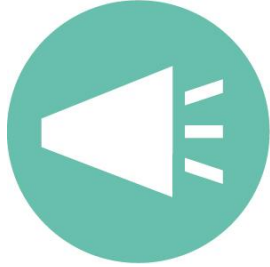
COUNTRIES



13

OFFICES

UITP: WHAT WE DO



ADVOCACY

We engage with **decision makers** and key **international organisations** to promote sustainable mobility solutions.



KNOWLEDGE

We inspire **excellence** and innovation by generating cutting-edge **knowledge** and expertise.



NETWORKING

We bring people together to **exchange** ideas, find solutions and forge **partnerships**.

THE IMPORTANCE OF FARES: SOME CITIES

London

Transport for London (TfL)



In TfL, the removal of operating grant has been covered by a higher reliance on fares. Retained business rates are the second highest income source – although as growth in rates is not retained this is not full devolution.

Hong Kong

Mass Transit Railway (MTR)



MTR's 'Rail & Property' model uses Government-granted development rights in exchange for land premiums created by MTR schemes. MTR reinvests development profits into transport.

Note: MTR's full revenues

Madrid

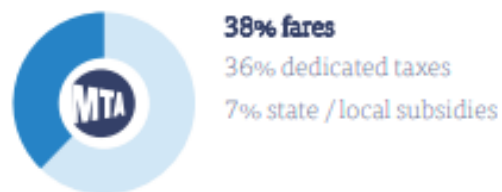
Consortio Regional de Transportes de Madrid



CRTM is the public transport authority for Madrid Region, covering the provision of public transport services to the inhabitants of the entire Madrid Region and associated municipalities.

New York

Metropolitan Transportation Authority (MTA)



MTA has a reasonably high reliance on fares, but crucially gets over a third of its income from a variety of dedicated taxation sources, including property taxes from within the city.

Paris

Île-de-France Mobilités (IDFM)



IDFM controls and coordinates public transport operators in the Paris-area. A significant proportion of public transport funding comes from a dedicated employment tax. **Note:** funding covers some investment

Singapore

Land Transport Authority (LTA)

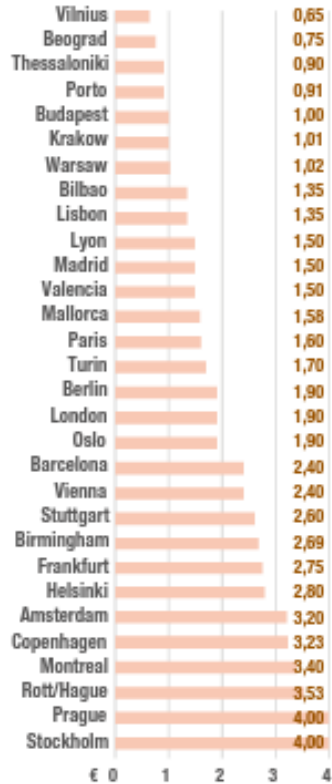


LTA plans, builds and maintains Singapore's transport infrastructure. The majority of funding comes from government grants / management fees. **Note:** LTA use net cost rail contracts

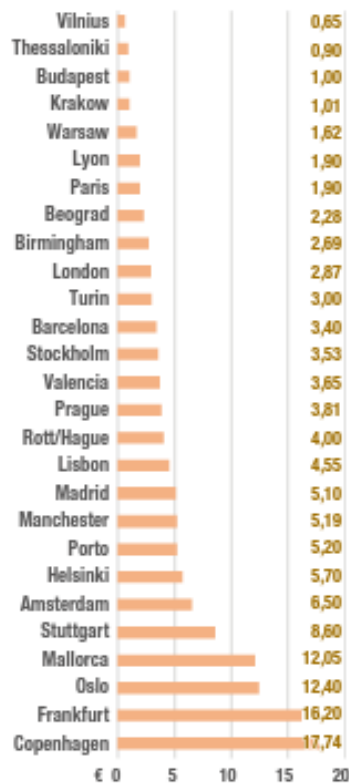


FARE ADJUSTMENTS AND CHANGES

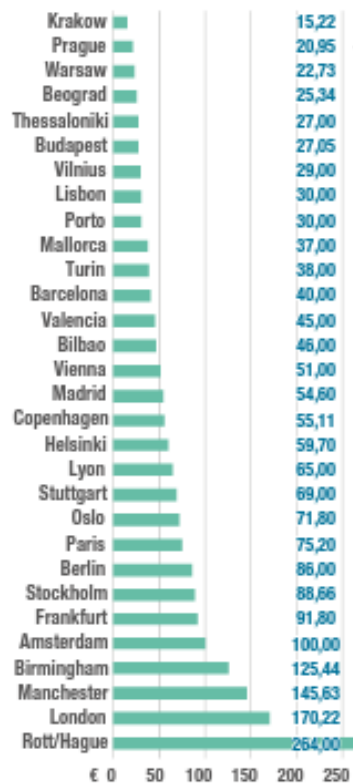
Single trip ticket price main city



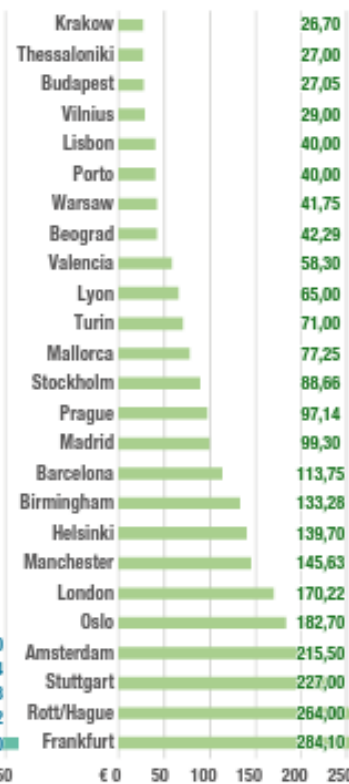
Single trip ticket price PTA area



Monthly pass main city



Monthly pass PTA area



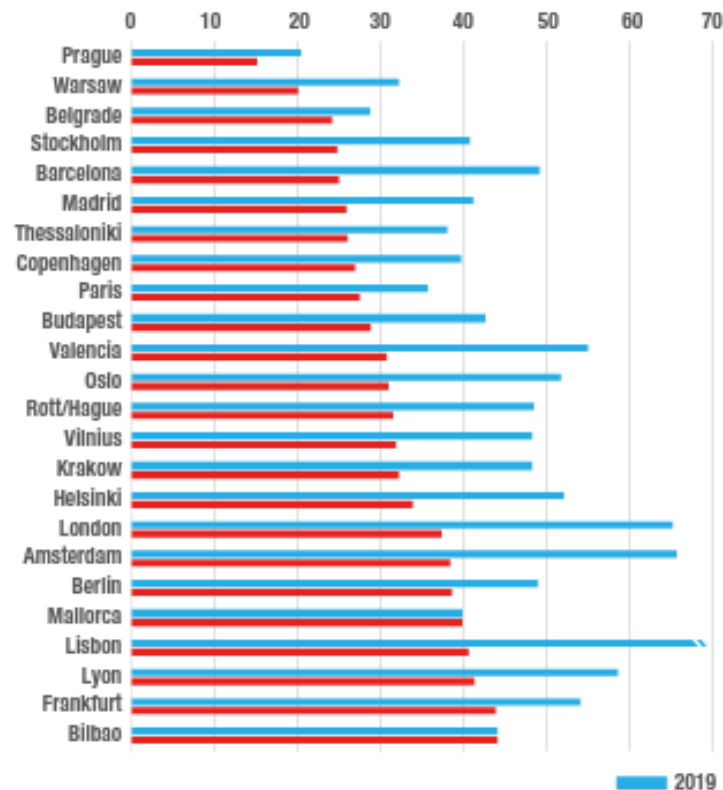
Some fare adjustments have occurred throughout 2020 in some PTA's regions:

- ❖ Removal of fare products (eg Barcelona annual pass)
- ❖ Creation of new more flexible products (eg Brussels 75 journey ticket)
- ❖ Reduction of price (eg Thessaloniki single ticket)
- ❖ New free fare passes (students and children)

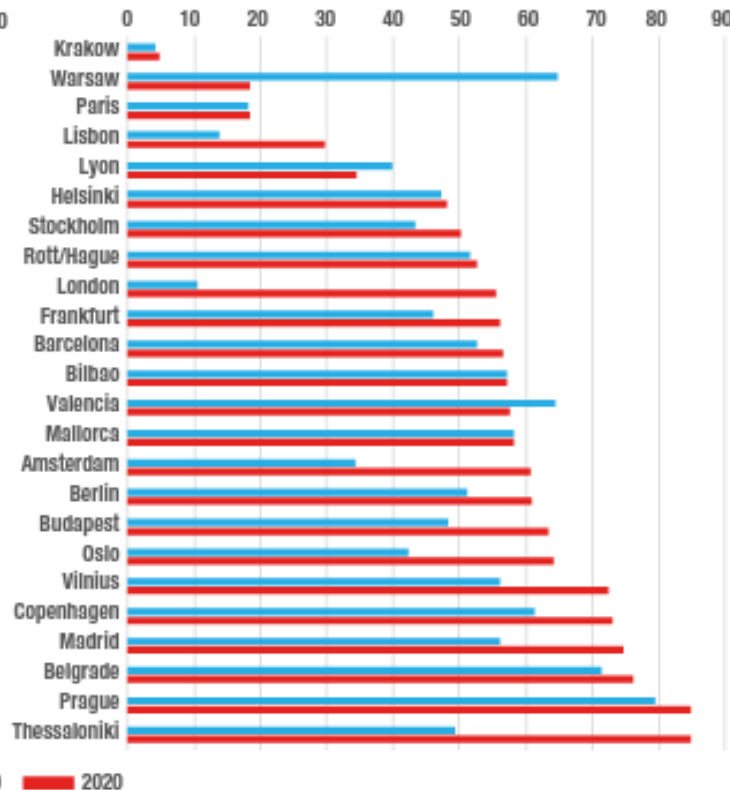


COVERAGE RATE OVERVIEW

Coverage (%) by fare revenues



Coverage (%) by public subsidies



- Coverage of operational costs by fare revenues fell from 48% in 2019 to 33% in 2020. It is the consequence of the choice that was made to maintain service levels despite a large drop in public transport passenger trips in 2020.
- The system is still facing a funding backlash

EMTA 2022 barometer



➤ COVER RATIO LEVERAGE IN PT BETWEEN USERS & TAX PAYERS?

The permanent debate between fares and subventions.

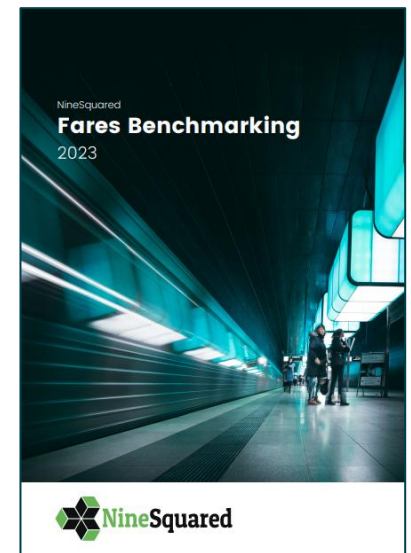
Who should contribute: National or Regional/local Administrations?

As the world develops and grows, governments consider mobility as one of the main pillars of society, but there is a trade-off:

- Before the pandemic:
 - Tax payers contribution should be at least like users contribution to PT.
- After the pandemic:
 - PT accessibility is a right, but also an obligation for citizens to contribute to fund the PT system and politicians are given more weight to subventions as a way to promote an affordable PT and decarbonised cities environment.

➤ TRENDS IN AFFORDABLE FARES

- Willingness to use fare policy to achieve a broader policy/political objectives
- Reduced/free fares schemes to address cost of living impacts
- In some cases, fare increases to reduce operating costs
- The use of digital solutions, especially to enable contactless products, fare policy revision and new fare products. Ticketing and Fares policies are not necessarily focused on the five day commute



➤ TRENDS IN FREE FARES

The concept of free fares has gained traction in political discourses and the media. Full Free Fares does seem like an easy solution for complex problems. Some key observations:

- Ridership and modal share are generally the main drivers behind the implementation of FFPT schemes
- Small/medium FFPT cities usually tended to have very low PT modal share favouring cars
- FFPT has been considered as cornerstone for a city's specific strategy for urban development
- Deployment of FFPT scheme during a shock or specific situation (smog alert, car-free day, Covid)

One should not mix a marketing scheme to stimulate ridership with a permanent free fare scheme



UITP has published a position paper with 5 recommendations on Free Fares



➤ SPAIN'S TRENDS ON FARES

- From January 1 to December 31, 2023. An extension of free RENFE passes (commuter rail) and 50% discounts on AVANT (medium distance rail) services for regular travelers.
- Financing of a 30% discount to the region and local entities that raise the discount up to 50%.
- MITMA will finance a 100% discount on the price of transport passes and multi-trip tickets for public land transport in the Canary and Balearic Islands.

➤ LATEST STUDY ON SUBSIDY IMPACT

Key outcomes:

- ✓ No evidence that rail subsidies have had a positive impact on car traffic
- ✓ Recommend to target investments to improve access and frequency/quality, along with targeting low-income families and car-restriction based policies to encourage modal-shift

Key recommendations:

1. Address rising living costs through progressive measures or targeted social fares policies
2. Supply-side measures through Increase of quality, frequency and access of public transport
3. Deployment of ULEZ or urban tolls based on income or emissions (eg weight of car)





EMT MADRID EXPERIENCE



THANK YOU!



ABONOS RECURRENTE

renfe | Viajeros

D.A.N. de Cercanías y Otros Servicios Públicos



RESOLUCIONES SOBRE ABONOS.

TÍTULOS MULTIVIAJES.

EVOLUCIÓN DE LA DEMANDA.



- **Real Decreto-Ley 14/2022, de 1 de agosto**, de medidas de sostenibilidad económica en el ámbito del transporte, en materia de becas y ayudas al estudio, así como de medidas de ahorro, eficiencia energética y de reducción de la dependencia energética del gas natural.
- **Real Decreto-Ley 16/2022, de 6 de septiembre**, para la mejora de las condiciones de trabajo y de Seguridad Social de las personas trabajadoras al servicio del hogar.
- **Real Decreto-Ley 20/2022, de 27 de diciembre**, de medidas de respuesta a las consecuencias económicas y sociales de la Guerra de Ucrania y de apoyo a la reconstrucción de la isla de La Palma y a otras situaciones de vulnerabilidad.



- **Cercanías,**
 - a) Se comercializa un abono recurrente gratuito con validez cuatrimestral.
 - b) Viajes ilimitados entre cualquier origen y destino del núcleo.
 - c) Fianza de 10 euros, reembolsable si se realizan 16 o más viajes.
- **Media Distancia,**
 - a) Se comercializa un abono recurrente gratuito con validez cuatrimestral.
 - b) Viajes ilimitados para cada origen-destino solicitado (en ambos sentidos).
 - c) Fianza de 20 euros, reembolsable si se realizan 16 o más viajes.
- **AVANT,**
 - a) Descuento del 50% en cualquier título multiviaje existente para el producto AVANT
 - b) Válido en un origen-destino solicitado por el cliente (en ambos sentidos).
 - c) Número de viajes en función del abono seleccionado.

2.2 VENTA DE TÍTULOS MULTIVIAJES POR TRIMESTRES 2023

<i>(miles)</i>	2023_Q1	2023_Q2	2023_Q3
CERCANÍAS	1.649,0	1.692,0	1.449,3
M. DISTANCIA	535,6	519,2	505,6
AVANT	120,9	112,0	77,2
TOTAL	2.305,5	2.323,1	2.032,1

Datos 2023_Q3 hasta el 31 de octubre



RESOLUCIONES SOBRE ABONOS.

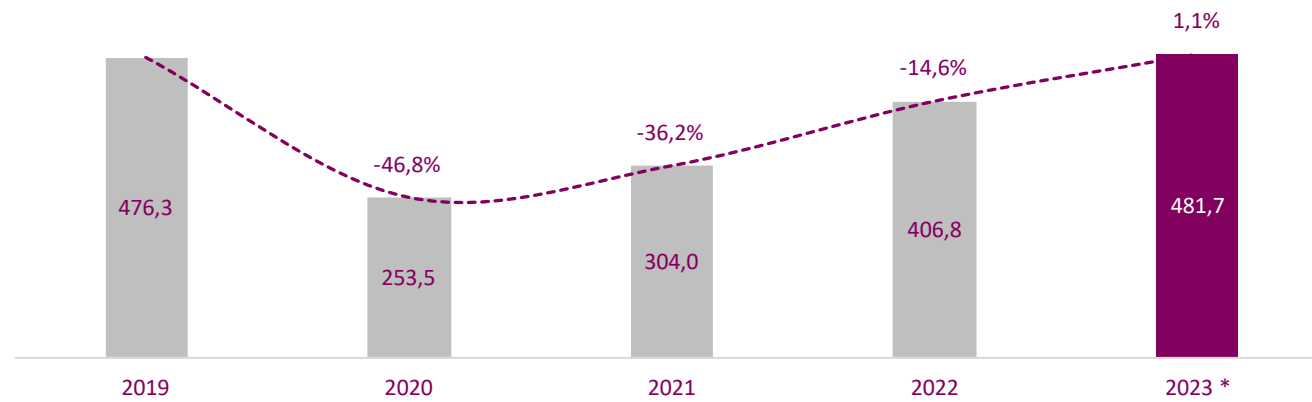
TÍTULOS MULTIVIAJES.

EVOLUCIÓN DE LA DEMANDA.



3. EVOLUCIÓN DE LA DEMANDA (2019-2023).

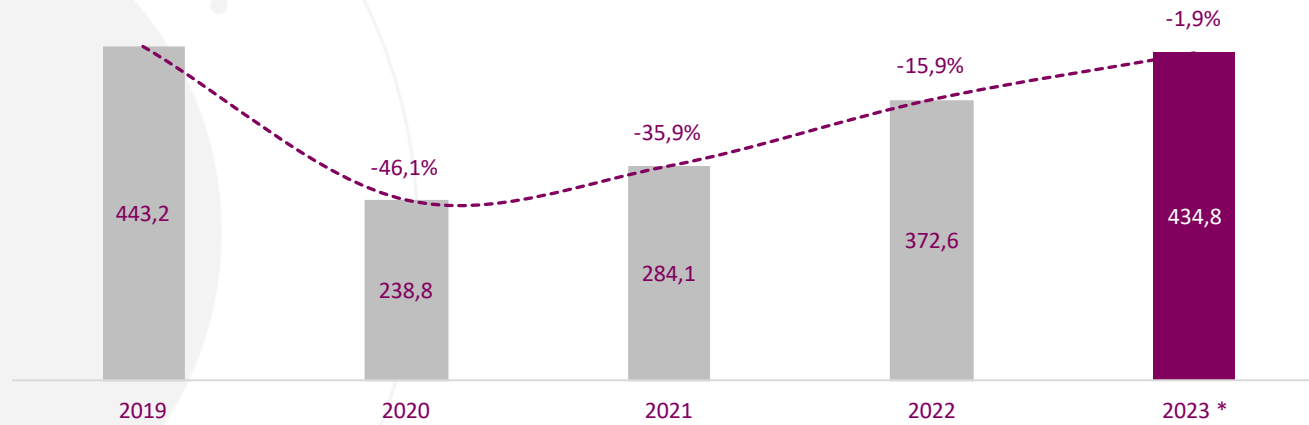
Viajeros Totales (millones) & % variación frente a 2019



(*) Estimación

3.1 EVOLUCIÓN DE LA DEMANDA EN CERCANÍAS (2019-2023).

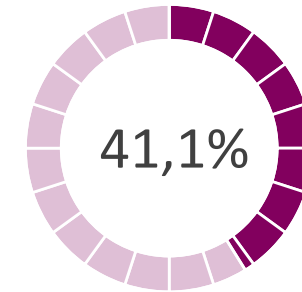
Viajeros CERCANÍAS (millones) & % variación frente a 2019



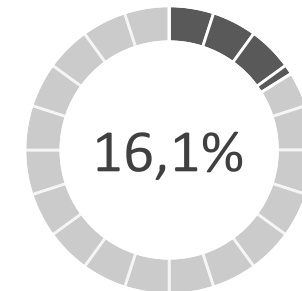
(*) Estimación

VIAJES CON ABONOS

2023

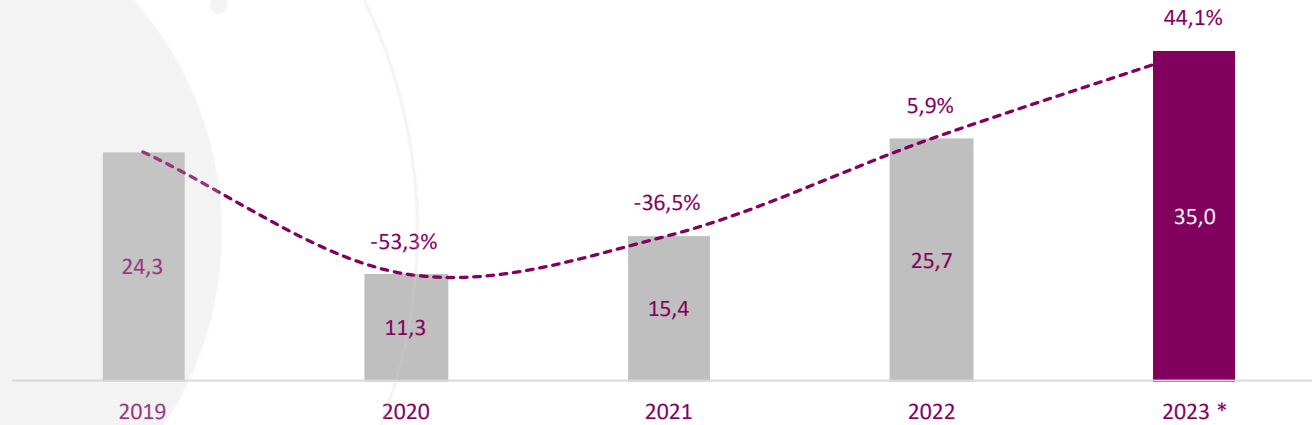


2019



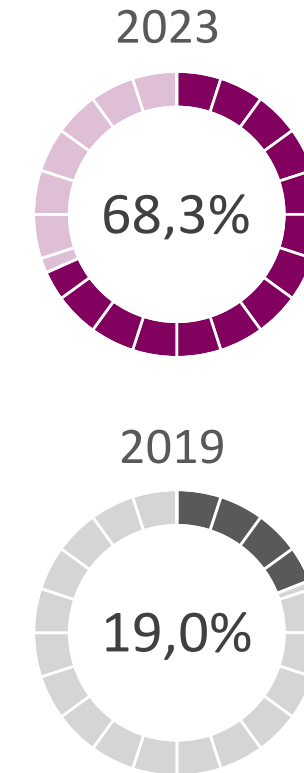
3.2 EVOLUCIÓN DE LA DEMANDA EN M. DISTANCIA (2019-2023).

Viajeros M. DISTANCIA (millones) & % variación frente a 2019



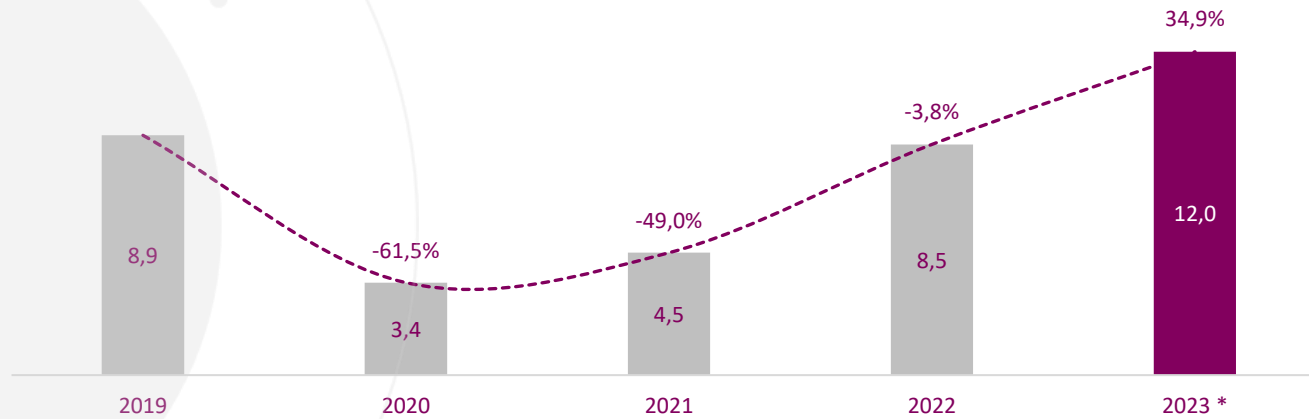
(*) Estimación

VIAJES CON ABONOS



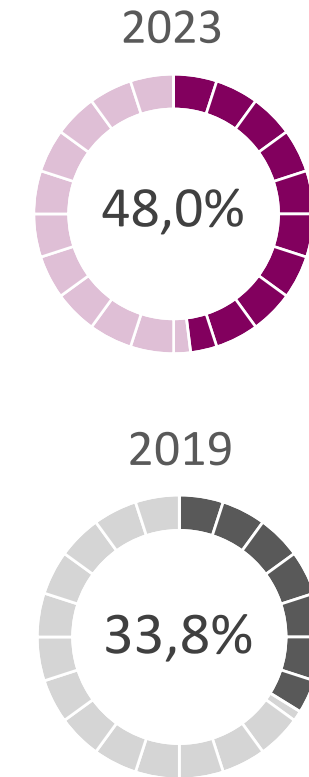
3.3 EVOLUCIÓN DE LA DEMANDA EN AVANT (2019-2023).

Viajeros AVANT (millones) & % variación frente a 2019



(*) Estimación

VIAJES CON ABONOS





renfe | *Viajeros*

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