



Position statement 1

Ticketing and fares

This statement sets out shared principles for what a partnership agreement could contain on ticketing and fares.

Principles

All parties acknowledge that:

- Fares levels and fares structures are a key driver of public transport use
- Ticketing arrangements are often a barrier to public transport use
- Commercial revenue is the key source of investment income for operators
- Concessionary fares schemes and reimbursement arrangements can have a significant impact on commercial fare levels.

All parties support the following principles:

- Integrated ticketing (covering both product range and retailing arrangements) is a key requirement for many passengers
- Smartcards have an important role to play because they enable easy to use integrated ticketing, new products, improved retailing and market information
- Fares levels should be as low as possible consistent with revenue/funding requirements
- Simplified fares and ticketing structures help to remove barriers to using public transport
- Wide retailing networks should be provided to make ticket purchase as easy as possible
- Integrated management of fares change processes (e.g. a limited number of dates for fares changes and joined-up information/marketing) can have benefits for all
- Product innovation supports market growth

Agreements

The application of the above principles to individual corridor based VPAs will need to be consistent with the requirements of any network wide ticketing schemes or practices.

Within the powers available, the following commitments might be included within local VPAs;

- Simplified fares structures (small number of charging zones or fare bands) with a common approach across operators, making ticketing and fares easier to understand
- Multi-operator tickets (day and season) priced such that they are attractive to significant parts of the market, consistent with revenue/funding requirements
- Multi-operator products to be widely available through an agreed retailing and marketing approach
- Commitments to participate in ITSO smartcard schemes to include stored value ticketing, for payment of cash fares through an e-purse
- Agreements to share smartcard scheme costs reflecting expected revenue growth

- Agreed approach to maximum fares, consistent with the agreed principles and relevant provisions for VPAs and QPSs, and in accordance with OFT competition guidance.
- Agreed fares change processes (dates, maximum fares review procedures, default arrangements etc.) within QPSs, partnerships or other ticketing arrangements
- Robust and transparent governance arrangements for multi-operator fares and ticketing including audit and revenue apportionment