

IPC Briefing Note 1/2010 - for Branch Officers and Local Media Representatives

Line to take regarding RPI+3% rail fare increases

General points:

- In January 2011, fares will go up by an average of RPI+1%. RPI+3% will apply from January 2012.
- When dealing with the **local** media you are unlikely to get into complex debate. If you get a call from Newsnight or PM, or indeed any of the national or trade media, please refer them to Bruce Williamson, the Railfuture National Media Spokesman.

Our position is that we are opposed to rail fare rises at 3% above inflation:

- It will encourage people to take the car instead, which will result in even more congestion and pollution. This has an impact on car drivers too!
- The government claims to have a green agenda, so why is it discouraging people from using the greenest form of transport?
- Our rail fares are already amongst the highest and most complex in Europe.
- The government said they would end the war on the motorist, now it looks like they're declaring war on the rail passenger.

So what are the alternatives?

- We need a level playing field. For instance, why is air travel exempt from fuel duty when rail isn't? Why should rail travel experience massive price hikes when road transport doesn't?
- The rail industry pays a huge amount back in tax to the government, at least £1.4 billion so it's not as expensive as it appears.
- Railfuture has submitted proposals to government in its programme "Britain's Railways, Much More For Much Less" which clearly identifies ways in which rail costs can be reduced and services enhanced.
- The forthcoming McNulty report will identify efficiency savings. It's important that these savings are passed on to the passenger, not the Treasury.

- We should use as our measure of inflation CPI not RPI. CPI is a lower figure and is being adopted by the government from April 2011 as its standard measure for increases in pensions, benefits and wages.

Other points worth making:

- We're not anti car or anti air - many of our members use cars and travel by air, and we recognise that road and air transport play an important role in a modern integrated dynamic market economy.
- RPI+3% is an average rise - some fares will certainly increase by much more than this.
- Social gain, the environment, and relieving congestion are just some of the reasons why the taxpayer should make a contribution towards the running of the railway. Rail passengers are ALSO taxpayers.
- The Treasury regards building a new piece of railway as 'subsidy' whereas a new piece of road is an 'investment' - this perverse attitude needs to change.

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