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PRESS RELEASE

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UNFAIRNESS OF RAIL FARE INCREASES

January 3rd's inflation-busting fare increases could be even worse than they first appear, say rail campaigners, who are highlighting the unfairness of the system. "Although the headline is 6% for regulated fares, train companies are free to increase other fares by more than this" said Mike Crowhurst of the pressure group *Railfuture*. "Rail passengers are penalised with increases above inflation every year. I don't think motorists or airline passengers will be suffering price hikes like this. Even though there have been recent air charges and fuel price rises, allowing for inflation, driving and flying are as cheap as they were ten years ago"

The government uses the RPI inflation figure instead of the lower CPI for calculating rail fare increases, while pensions and wages are based on the lower CPI figure. "This is unrealistic and just makes rail travel less and less affordable. Train operators can also make travel more expensive without changing any ticket prices. They can change the definition of 'peak' times so that passengers have to upgrade from a discounted ticket to a full price one. It could have been much worse. The government was planning to increase fares by 3% above inflation, but backed down in the Chancellor's autumn statement. Whilst this climb-down was welcome, we doubt that many commuters will have enjoyed pay rises of 1% above inflation."

Britain's railways are expensive to run, and the McNulty report has identified efficiency savings in the region of £1 billion. "It's important that any efficiency savings – and there are plenty to be had – are ploughed back into the industry, not swallowed up by the Treasury. There's a lot that needs doing - track enhancements, better signalling, electrification, modern rolling stock and enhanced station facilities. The Midland mainline is crying out for electrification, as is the line to Swansea. We know that the government is trying to reduce the taxpayers' contribution to the running of the railways, which is understandable, but these increases are not necessary because those targets have already been met. Not only that, most of the fare increase goes straight to the Treasury, not the train operating companies."

"Rail fares in Britain are already the highest in Europe, and this has knock-on effects. Firms who might want to invest in the UK face the disincentive that their workers will face eye-watering fares, but not only that, the bus services have been slashed too. We think that more people will be driven on to the roads, which will result in even more

congestion and pollution. It has an impact on car drivers too. The government claims to have a green agenda, so it must not discourage people from using the greenest form of transport - rail. You can't cure overcrowding by pricing off demand. There are many reasons why the wider community benefits from a decent rail network, and it's in everyone's interest that passengers are not priced off the railway"

The group is calling for some changes to the way transport is taxed. "We need a level playing field. For instance, why is air travel exempt from fuel duty when rail isn't? The rail industry pays a huge amount back in tax to the government, at least £1.4 billion, which only contributes to the high cost of rail fares.

Notes for editors:

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Rail is a vital part of an integrated efficient transport system serving a modern, vibrant, environmentally sustainable economy. We are pro-rail but not anti-road. Railfuture maintains that investment in rail travel and rail freight is vital to the future of the UK economy and environment.

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