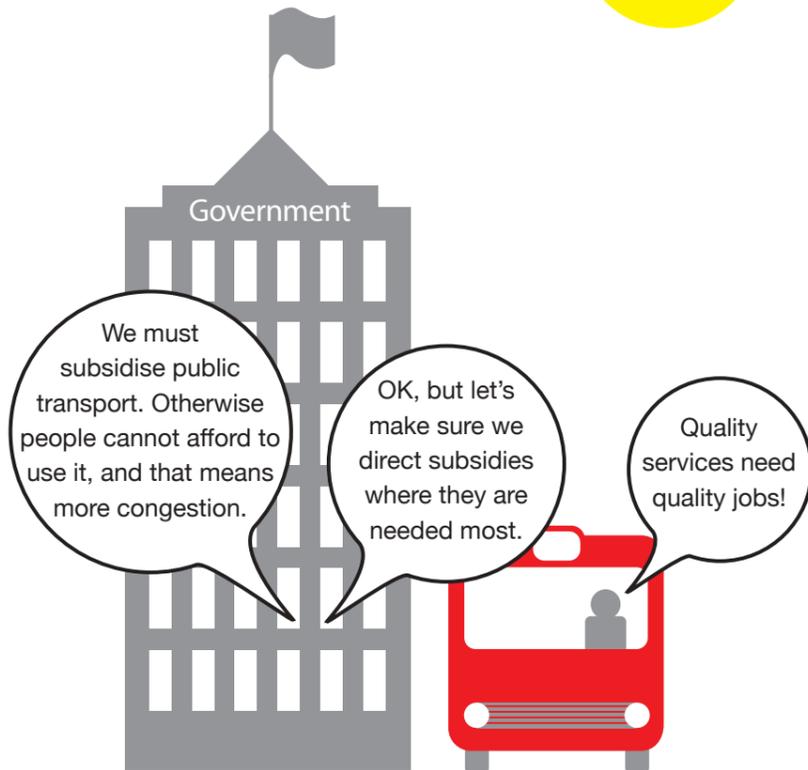
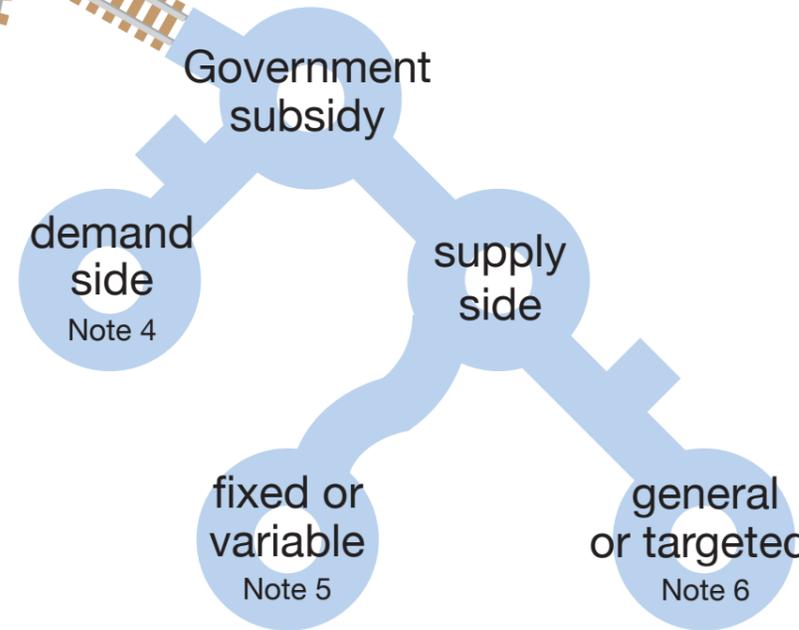
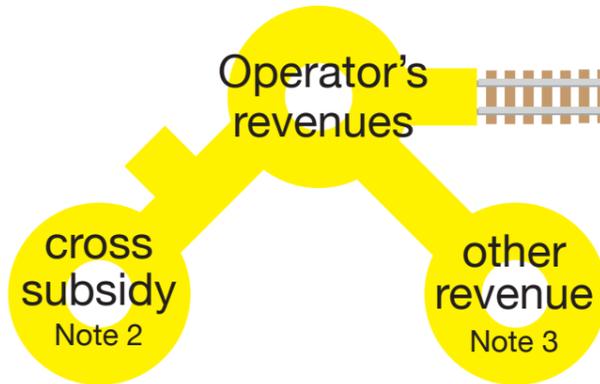


Does the price of my ticket cover all the operator's costs?

YES:
This is 'full cost recovery':
Note 1

NO:
So where does the rest come from?



Note 1

If all the costs of designing, planning, administering and operating public transport services are met through the fare box it means tickets are too expensive for many people. This leads to low usage and is therefore neither economically, environmentally, financially nor socially sustainable.

Note 2

Public transport operators can vary prices between their own services, to reduce peak-time travel or support particular routes for economic, environmental, political or social reasons. These can be 'within mode' or, if systems are organisationally integrated, 'between mode'.

Note 3

Transport operators can subsidise ticket prices through advertising, rental income and other ways of raising extra revenue. Through parking fees, vehicle licensing and congestion charges they can also raise money in ways that encourage public transport usage and reduce pollution.

Note 4

Public subsidies can be paid direct to the passenger in the form of concessionary tickets for children or seniors, or transfers through the social security system. Like supply side subsidies, these can serve political as well as economic, environmental or social purposes and are not necessarily efficient or fair.

Note 5

Governments can pay subsidies direct to operators. These can be at fixed levels, which is easier for public finance planning and administration but does not give operators an incentive to increase quality or usage; or variable, triggered by performance targets, such as passenger numbers or service standards.

Note 6

Rather than general subsidies, governments sometimes pay to maintain particular routes or services that are economically, environmentally or socially important or serve constituencies that politicians prefer not to alienate. This means that even targeted subsidies don't necessarily benefit the most needy.