

Demography and free public transport

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Taavi Aas
Deputy Mayor of Tallinn



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Basics of Tallinn FPT

- **Population 433 653 (as 01.10.2014)**
- **2012 PT budget – 53 million €**

Total tickets revenue - 17 Mio €

5 Mio € from non-Tallinners

Free PT for Tallinners costs

12 Mio € annually

- **FPT started in 01.01.2013**



Why we did it?

Social aspects: guaranteeing mobility for unemployed and low income residents. Using PT facilitates sharing common space for different segments of the society

Economic aspects:

increasing labour mobility in the city limits;
stimulating consumers activity;
savings from public transport are spent for local goods and services

Green aspects: modal shift from cars to PT, cleaner air, less noise, more urban space

Fiscal aspects: strong motivation to register place of residence, thus increasing personal income tax



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Fiscal demography

Registered population grew since April 2012 (after FPT referendum) by <16 000 persons

Every 1000 residents bring to city budget ca 1 million euros annually by personal income tax

FPT cost has been covered with fine surplus



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Earlier experience

Tallinn observed comparable growth in 2003 while started discount for residents in public transport (population increased by 14 416 persons in one year)

Triggered by change of national tax system which made municipal budgets directly dependent on the residents income.

Warsaw and Riga started public transport discounts for residents in 2013

Combined investments pay back

Combined investments into public services pay back well increasing the number of residents/taxpayers:

municipal housing program

social jobs

new kindergartens

sports facilities

etc

Deserved fruit of municipal policy

Tallinn is absorbing the strong exodus from other parts of Estonia.

But losing population to its „golden circle“ and suffering also from emigration to the North.

Tallinn is however the only city in Estonia still growing

That growth is not inherited nor predestined but is a fruit of responsible municipal policy

Sharing the best practice

Tallinn initiated the European Network of Free Public Transport.

Since 2012 Tallinn hosted 3 international FPT conferences.

FPT conference in Zory, Poland . in the country which experiences the boom of free public transport.



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