

NATIONAL TRANSPORT AUTHORITY INTRODUCES NEW INTERCITY RAIL FARE STRUCTURE

New Fares Structure streamlines and simplifies fares for customers

143 fare band increases

66 fare band decreases

15 fare bands unchanged

January 26, 2012

The National Transport Authority has today (January 26, 2012) published details of the new fares structure and new fares which will apply to all Intercity rail journeys from February 4, 2012. **These fares were not covered in the Authority's fares determination of December 2011.**

In December 2011 (<http://www.nationaltransport.ie/downloads/Cie-operators-fares-increases-Dec-2011.pdf>), the Authority stated that it was reviewing the current Intercity fare structure, with a view to streamlining fares, removing anomalies and making travel costs simpler, fairer and easier to understand for customers. Alongside this, Iarnród Éireann had applied for a fares increase, across all its services. Fares increases for DART and Commuter Rail services were announced by the Authority in December, with further consideration to be given to the Intercity element of their network; those fare increase decisions are being announced today, in the context of the new fares structure. Intercity rail fares over €25 have not increased in three years (January 2009).

Over the years, rail prices have changed in piecemeal fashion, resulting in a set of fares today which make little overall sense to customers, with different fares for different regions, or different days of the week. For example, on the Dublin to Cork route, five day return tickets are the shortest duration return tickets generally available. On other routes, day return tickets are available. And on some routes, Thursday and Saturday tickets are priced differently from Friday and Sunday tickets. This differential is not present on other routes.

The Authority set out to devise a simplified fare structure for standard fares to meet the following objectives:

- is consistent
- avoids anomalies
- meets market requirements
- is broadly neutral in terms of revenue, yet forms a coherent platform for future increases or decreases in fares

Consultation with passengers and local authorities helped inform the decision-making process, and Iarnród Éireann has been actively involved in helping the Authority throughout, providing detailed information.

Based on international experience, a **distance-based system** was considered to be most equitable, with **speed of service** a further key factor for consideration in setting fares. The current array of tickets will therefore be reduced to provide a simplified offering of three standard ticket types, as follows:

- Single
- Day return
- Open return (within 30 days of departure)

Fare pricing will be **distance based, increasing with journey length**, with lower fares charged for the **slower services**. In addition, passengers will face a **fixed fee** for joining the rail network. All single fares will be cheaper than day return fares and all day return fares will be cheaper than open return tickets. These will be consistently applied across the country.

The Authority's full analysis is published alongside this release (<http://www.nationaltransport.ie/news.html>), which demonstrates the formula devised for the new fares structure, for which modelling work indicates that the current revenue base will be retained, and a small overall increase in passenger numbers could be generated.

Other anomalies in the present fare structure have resulted longer journeys being subsidised by shorter ones, and single journeys subsidising return trips. It would not be possible therefore to move directly to the new fares structure without incurring some extreme price rises for certain

fares. The Authority has endeavoured to cap increases for these anomalous lower fares at 10%, for now, and will seek greater alignment with the new fare structure in future fares increases.

A summary overview of the of the fare changes sanctioned today, across single and return fares, is as follows¹:

- There are 143 fare band increases
- There are 66 fare band decreases
- 15 fare bands remain unchanged

Where fares have been increased, **the range of increase varies from 0.63% to 13.33%**. The higher increases have been applied to those fares most anomalous in distance pricing, under the new model.

The range of decreases varies from -0.79% to -29.41%. Significant fares decreases were required on some fares on Galway and Rosslare services to align them with Sligo and Waterford, respectively.

For **Express routes** (fastest), single (one-way) increases were limited to the first four stages (1 stage = 16 km). Other single fares were unchanged whilst the longest two trip stages, Heuston to Cork and Heuston to Killarney were reduced by 9%.

For return fares on **Express routes**, increases were limited; however, availability was restricted from five days to one day. Monthly returns were broadly unchanged. Taken together however, these measures will result in a higher fare for those who previously availed of the discontinued five-day return ticket.

For **Economy 1** routes (less fast), the **highest increase was 13.33%** while the **largest decrease was 26.92%**. In general, some fares on the Galway line were reduced to align with some increased fares on the Sligo line.

On **Economy 2** routes, the **largest increase was 12.82%** while the **largest decrease was -26.09%**. In this instance, some Rosslare route fares were broadly decreased to align with some increased Waterford route fares.

¹ Full details of every fare change is available in the Report: *“National Transport Authority Determination on Intercity Rail Structure Review and Request for Fares Increase”* published alongside this press release

The new regulated fare structure does not prevent promotional pricing. For example, Iarnród Éireann currently offer discounts on regulated fares via web fares in order to optimise revenues. This arrangement will continue with the new fare structure.

In future years, the Authority will move incrementally to implement fully the structured fare schedule. This will mean that each year anomalous fares will either be increased or decreased more than the average in order to arrive at the correct fare.

The National Transport Authority is now considering Dublin Bus' application for an increase in pre-paid (discounted) tickets, and will be announcing its decision on this in the coming weeks.

ENDS

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