



**Consideration of applications to increase monthly
and annual fares from Dublin Bus, Bus Éireann and
Iarnród Éireann for 2014**

Determination No. 1 for period Nov/Dec 2013 to Nov/Dec 2014

October 2013

Table of contents

Executive summary	3
1. Introduction.....	7
1.1 Background.....	7
1.2 Factors influencing public transport demand and revenues.....	8
1.3 Need for fares increases.....	9
1.4 National Payments Plan	10
1.5 Economic outlook.....	11
2. Dublin Bus.....	13
2.1 Introduction.....	13
2.2 Proposal by Operator	14
2.3 Determination by the Authority.....	14
2.4 Conditions attached to this approval	17
3. Bus Éireann.....	18
3.1 Introduction.....	18
3.2 Proposal by Operator	19
3.3 Determination by the Authority.....	20
3.4 Conditions attached to this approval	23
4. Iarnród Éireann (Irish Rail).....	24
4.1 Introduction.....	24
4.2 Proposal by Operator	25
4.3 Determination by the Authority.....	26
4.4 Conditions attaching to the approval.....	31

Executive summary

Over the last number of years the operating environment for the CIÉ companies (Dublin Bus, Bus Éireann and Iarnród Éireann) has been challenging and it has had a detrimental impact on their patronage levels and revenues. There have also been cuts to Public Service Obligation (PSO) subsidy payments since 2009, whilst at the same time the CIÉ companies have been experiencing substantial increases in fuel costs.

The Department of Transport, Tourism and Sport has confirmed that the amount allocated to the Public Service Obligation (PSO) payments will be reduced by at least 7% or approximately €17 million in 2014. This cut comes on top of some challenges for public transport companies with patronage and revenues and previous cuts in the PSO payments since 2009.

Public transport revenues come from four sources: passenger fares, the Authority's PSO payments, the Department of Social Protections' Free Travel Grant and relatively minor ancillary revenues (e.g. advertising). Passenger fares account for the greatest amount of revenue and are dependent on passenger numbers. When economic growth increases, this should lead to greater levels of travel and thereby passenger numbers. The prospects for both the Irish and international economy remain uncertain and although there has been a number of encouraging signals of late, caution would need to be employed in forecasting any significant passenger growth on the basis of improved economic activity.

On the positive side, public transport service quality is also an important factor that influences passenger demand and it has been improving due to a number of new and innovative initiatives such as the real time information at bus stops, the Authority's National Journey Planner, the Leap card, investment in the bus fleet, improved public transport maps and the reconfiguration of regional city bus services that to date includes Dublin, Cork, Limerick, Galway and Waterford.

The CIÉ companies need to stabilise their financial situation reasonably quickly so that service cuts are minimised and that the companies are returned to a stable financial footing. Cost reduction programmes have been put in place by the operators, but these have taken time to

implement, and costs have not fallen to the same extent as the revenue base. Public transport fare increases have been deemed to be necessary in recent years as the Authority has had to protect the services as much as possible.

The Authority is setting the fares for 2014 by way of a number of **Determinations** for the operators. This first stage is concerned with the increases in all operators' monthly and annual ticket prices (including Tax saver tickets) and the starting point of these ticket changes will be from 1st November 2013 (see determinations 1 & 2). The second stage for all other fares has been published as well (see determination numbers 3, 4, 5 & 6) and changes in the price of all these tickets will be from 1st December 2013.

Monthly and annual determinations:

- Determination No. 1 for period Nov/Dec 2013 to Nov/Dec 2014 – CIÉ operators
- Determination No. 2 for period Nov/Dec 2013 to Nov/Dec 2014 – Luas

Cash, Leap and other fares determinations;

- Determination No. 3 for period Nov/Dec 2013 to Nov/Dec 2014 – Dublin Bus
- Determination No. 4 for period Nov/Dec 2013 to Nov/Dec 2014 – Bus Éireann
- Determination No. 5 for period Nov/Dec 2013 to Nov/Dec 2014 – Irish Rail
- Determination No. 6 for period Nov/Dec 2013 to Nov/Dec 2014 - Luas

Monthly and annual tickets offer significant cost savings to customers who purchase these products. Both products are discounted in comparison to other ticket types - customers who buy an annual ticket often only pay for 10 months and receive the additional two months free. There are additional benefits for those customers who purchase these tickets through the Tax saver scheme. Buying the tickets through this scheme means that customers can make savings from 31% to 52% of the total cost of the tickets, depending on their particular tax circumstances. There are tax savings for employers as well.

Conditions have been attached to certain fare products relating to the availability of those products on the Leap card and where these products have not been migrated to the Leap card

format by a particular date and the Authority hasn't approved of the new implementation date, then fares on these products will revert to their previous rates.

Dublin Bus has written to the Authority requesting fares increases that will yield extra revenue of €6m in 2014. In this determination, the Authority has approved a range of increases in monthly and annual tickets from 9.38% to 10.27%. It is the Authority's view that having considered all of the operator's respective costs and revenues and the continued changes therein, that the level of increase requested for these ticket types is warranted. This is given that there is very significant discounting in these tickets from cash fares and in order that a sufficient level of service can continue to be provided. However, Dublin Bus will need to maintain its focus on cost control and service improvements.

Bus Éireann is planning a 2% reduction in expenditure in 2014. This includes a 2.8% reduction in payroll costs to deliver a €1.3m saving which is partly offset by an anticipated €0.4m increase in fuel costs. Reductions of over 1% are expected in maintenance costs and reductions of 3.7% in overhead costs. Overall, while a 2% net cost reduction target appears modest, the Authority acknowledges that Bus Éireann are reducing costs across all aspects of their cost base and have already made substantial savings since 2008. Although Bus Éireann has requested approval to increase fares by an average of 6%, they anticipate that the improvements to service quality will help to offset some of the negative impact of fares increases. The Authority has approved the requested fare increases in order that the wide range of services in rural areas and cities can continue to be provided.

Iarnród Éireann has requested approval to increase monthly and annual fares from 9.47% to 10.39% on their intercity services and from 9.84% to 10.48% on the DART, and Commuter services in the Short Hop Zone and Cork areas. Although Iarnród Éireann requested significant fares increases in these areas, it is the Authority's view that having considered all of the respective costs and revenues, and the level of discounts available on the monthly and annual tickets, that the level of increase requested is generally warranted. This is in order that a sufficient level of service can continue to be provided but Iarnród Éireann will need to maintain a strong focus on cost control.

The Authority has, however, approved a lower range of increases in Intercity tickets from 1.85% to 10.03% with many of the increases in the middle of this range. This has been done for a number of reasons, including to ensure that the improvements to Intercity singles, day returns and open returns are extended to the monthly and annual tickets; the approved fares spread the increases in monthly fares more evenly across the zones and there is now a more consistent ratio between tickets; and the approved fare changes in the shorter Intercity zones, in conjunction with the approved Short Hop Zone monthly and annual fares will smooth the differences at the boundary of the Intercity and Commuter zones and improve the fares transition between the two zones.

Integrated Bus Éireann and Iarnród Éireann ticket: The Authority has decided to introduce an integrated Bus Éireann / Iarnród Éireann ticket on a pilot basis in 2014. These tickets can be introduced where there is both a Bus Éireann service and an Iarnród Éireann service serving the same locations. The integrated tickets will be rolled out on the Dublin / Kilcock, Dublin / Enfield and Dublin / Mullingar routes in 2014 with a view to extending the number of locations subject to its successful operation on these routes.

1. Introduction

1.1 Background

The National Transport Authority (the Authority) entered into Public Service Contracts with three public transport companies (Dublin Bus, Bus Éireann and Iarnród Éireann) in December 2009 for the provision of passenger and ancillary services.

Dublin Bus, Bus Éireann and Iarnród Éireann are 100% owned by Córas Iompair Éireann (CIÉ). CIÉ is a statutory body with ownership vested in the Minister for Transport, Tourism & Sport.

Dublin Bus, Bus Éireann and Iarnród Éireann are Limited Companies governed by the Companies Acts 1963 – 2009. This prevents them from engaging in reckless trading (e.g. accumulating unsustainable debts). The companies are subject to annual external audit and their accounts are available to the public. They are also prevented from borrowing.

The Department of Transport, Tourism and Sport has confirmed that the amount allocated to the Public Service Obligation (PSO) payments will be reduced by at least 7% or approximately €17 million in 2014. This cut comes on top of challenges for public transport companies with patronage and revenues, increased fuel costs and previous cuts in the PSO payments since 2009.

While Dublin Bus, Bus Éireann and Iarnród Éireann have implemented efficiencies in their operations, they have not matched the loss in revenue associated with the falling patronage and subvention. Passenger numbers have continued to decline in 2013, although at a moderating rate. As with all transport companies, the current operating environment has had a detrimental impact on passenger demand, ancillary revenue and on increased fuel costs. However, Dublin Bus, Bus Éireann and Iarnród Éireann need to stabilise their financial situation reasonably quickly so that service cuts are minimised and that the companies are returned to a stable financial footing.

Staged determination of fares

The Authority is undertaking the 2014 fare determinations in two stages for all operators. The first stage is concerned with the changes in all operators' monthly and annual ticket prices (including Tax saver tickets) and the starting point of these ticket changes will be from 1st November 2013. That is the subject of this determination, as well as determination number 2, available on the Authority's website. The second stage for cash, Leap and prepaid fares is published in separate determinations (numbers 3, 4, 5 & 6 respectively) and changes in the price of all these tickets will be from 1st December 2013, though some tickets may not actually increase until the New Year.

1.2 Factors influencing public transport demand and revenues

Public transport revenues come from four sources: passenger fares, the Authority's PSO payments, the Department of Social Protections' Free Travel Grant and relatively minor ancillary revenues (e.g. advertising). Passenger fares account for the greatest amount of revenue and are dependent on passenger numbers. These in turn depend on the demand for passenger services.

Demand for public transport services is strongly related to economic activity. Economic growth increases employment, immigration, disposable income and consumer spend, all of which lead to greater travel. Economic decline produces the opposite effect. Consequently, passenger numbers increased greatly during the economic boom but declined radically from 2008 onwards, resulting in a great reduction in patronage and in passenger revenues.

Although the economy is the dominant factor behind people's propensity to travel, there are other factors that influence demand, particularly for public transport, which include:

- Fares – changes to fares affect demand, with fare increases reducing demand
- Service quality – any improvements of factors such as frequency, reliability, cleanliness, comfort or security tends to increase demand
- Competition from other modes of transport – if it becomes more attractive to drive, cycle or walk, public transport demand will fall. People will also switch between rail and bus if the respective offerings change.

The influence of these factors over and above the economic effects in recent years would be difficult to isolate. In addition, competition from other modes has increased. Despite large increases in fuel prices, driving conditions have improved with the completion of the roads programme and reduced volumes of traffic and congestion levels. Cycling and walking have increased in popularity, due to the Bike to Work scheme, the Dublin Bikes scheme, infrastructure improvements, greater promotion of cycling and improved public awareness.

On the positive side, public transport service quality has been improving due to initiatives such as the real time information at bus stops, the Authority's National Journey Planner, the Leap card, investment in the bus fleet, improved public transport maps and the reconfiguration of regional city bus services that to date includes Dublin, Cork, Limerick, Galway and Waterford. Operators have also been increasing efficiency and, as yet, there have not generally been significant service cuts.

1.3 Need for fares increases

Public transport fare increases have been deemed to be necessary in recent years as the operators have sought to compensate for reduced PSO payments, declining numbers of passengers due to the economic situation and reduced ancillary revenues. Cost reduction programmes have been put in place by the operators, but these have taken time to implement, and costs have not fallen to the same extent as the revenue base. Cost reduction has also been hindered by the significant increase in fuel costs, which are largely outside the operators' control.

The result has been that increases in fares have been either counter to, or in excess of, inflation and economic growth. Public transport is not unique in this respect – gas and electricity prices have also risen substantially in the same period.

The challenge for the Authority is to determine an appropriate level of fares increase that will greater match the costs of operating public transport to the revenues accruing from it, whilst also protecting the services themselves.

1.4 National Payments Plan

The National Payments Plan (NPP) is a three year plan launched in April 2013 and managed by the Central Bank of Ireland, on behalf of the Minister for Finance. The plan is targeting savings of up to €1 billion per annum for the Irish economy through a doubling of electronic payments by 2015. These savings are intended to be achieved through a significant shift away from cash and paper payments to efficient electronic payment methods.

Public transport users span all sectors of society and as such can include people who will not readily migrate to electronic payment systems. However, recent experience with the introduction of the Authority's integrated ticketing Leap card system, has shown that significant numbers of people will use a cash replacement system that is convenient, well marketed and provides advantages, in particular price benefits.

In public transport terms having the correct combination of coins to purchase tickets from drivers or vending machines is inconvenient to most. The pressure to pay on boarding buses as a queue forms results in delayed trips. The Authority is naturally eager to improve boarding and alighting times for public transport and therefore wishes to increase the use of payment systems that promote this.

There are significant benefits to reforming our payments system on public transport for both the public and the operators. The public's gains include cashless transactions, ease of use, discounting from cash fares, daily and weekly fare capping, quicker boarding and with the Leap card, an integrated payments format. The additional advantage is the growth of confidence amongst customers that they are getting good value and that they gain benefits from making extra trips.

Cash transactions involve additional costs for public transport operators. These come from the counting and collection of cash, the need for a logistical system involving security, transportation, insurance, cash depots, et cetera. Public transport operators have also been

experiencing increases in the cost of the return of excess cash to banks and overall cash operating costs are high.

The Authority therefore intends to contribute to improvements in Ireland's payment systems' infrastructure through encouraging greater use electronic payments that enhance both the efficiency and convenience of using public transport.

1.5 Economic outlook

As the table below shows, the increase in inflation experienced in 2011 tapered off in 2012 and forecasts for 2013 and 2014 indicate reasonably low levels of inflation in the economy. However, it should be noted that although the price of energy and fuels is reflected in changes in inflation, the Consumer Price Index is made up of a basket of weighted goods and services and so changes in the rate of inflation may not fully reflect the sometimes large and volatile swings that can occur in the cost of energy in Ireland, which is naturally a major cost component of a transport company.

Modest growth in the economy is generally forecast for 2013, with improvements in 2014 and this provides some potential upside to the analysis in this determination - as mentioned earlier, when economic growth increases, the knock-on effects should lead to greater levels of travel. Nevertheless, the prospects for both the Irish and the international economy remain uncertain and although there has been a number of encouraging signals of late, with domestic budgetary tightening measures planned for 2014, albeit on a smaller scale than before, caution would need to be employed in forecasting any significant passenger growth on the basis of improved economic growth.

A number of economic indicators are set out in the table overleaf.

Key Economic Indicators (real annual % growth)								
	2008	2009	2010	2011	2012	2013f	2014f	2015f
Consumer Price Index (CPI)								
CSO	4.1	-4.5	-1.0	2.6	1.7			
Central Bank						0.7	0.6	n/a
ESRI						0.7	1.5	n/a
Department of Finance (HICP)						0.7	1.2	2.0
IMF (HICP)						1.3	1.3	1.6
Gross National Product (GNP)								
CSO	-1.8	-9.1	0.5	-1.6	1.8			
Central Bank						0.1	1.2	n/a
ESRI						2.0	2.7	n/a
Department of Finance						1.0	1.7	1.7
Gross Domestic Product (GDP)								
CSO	-2.2	-6.4	-1.1	2.2	0.2			
Central Bank						0.5	2.0	n/a
ESRI						0.5	2.6	n/a
Department of Finance						0.2	2.0	2.3
IMF						1.1	2.2	2.7

Source: Central Statistics Office (CSO), Central Bank Quarterly Bulletin Oct 2013, ESRI Quarterly Economic Commentary Autumn 2013, IMF World Economic Outlook April 2013 and Department of Finance Budget 2014: Economic and Fiscal Outlook. Note “f” indicates forecast and HICP is the Harmonised Index of Consumer Prices which differs slightly from the Consumer Price Index (CPI).

2. Dublin Bus

2.1 Introduction

Dublin Bus passenger numbers have fallen by 22% between 2007 and 2012. The decline has been moderating and Dublin Bus now expects to carry 0.5% more passengers in 2013 compared with 2012, which could be a significant turning point.

Since 2008, Dublin Bus has made expenditure savings, spanning all areas of the business. A contributor to the cost reductions has been both the reduction in payroll costs through reducing staff numbers and the reconfiguration of services through Network Direct.

Despite making expenditure savings, Dublin Bus has suffered annual losses for a number of years and is now in a difficult financial position, which will remain challenging through the remainder of 2013 and 2014 - due to the continuing weak economic environment, falling PSO funding and rising fuel prices. The introduction of the new Excise Duty Rebate scheme since July 2013 will substantially lessen the impact of potential increased fuel prices. Included in Dublin Bus' expenditure savings is a projected payroll cost saving of approximately €4m that is predicted to be achieved in 2014. The table below indicates the anticipated financial position for 2013 and 2014, when it is expected deficits will remain, although they will be reducing compared to 2012.

PSO Financial Summary	2012 Actual (€000)	2013 Projected (€000)	2014 Projected (€000)
Total revenue excluding PSO payment and Free Travel payment	159,500	167,453	176,464*
Total Expenditure	260,822	258,188	256,879
Deficit before subvention and Free Travel payment	-101,322	-90,735	-80,415
Subvention	74,768	64,903	60,400**
DSP Free Travel payment	20,595	20,595	20,595
Surplus / Deficit after subvention and Free Travel payment and before exceptional items	-5,959	-5,237	580

**2014 projected revenue based on requested fares increase application received. **Indicative*

2.2 Proposal by Operator

Dublin Bus has written to the Authority requesting fares increases that will yield a 6% increase in revenue, applied in varying ways across different fares with some fares requested to increase up to 12.5%. The requested implementation dates for the fare increases are the 1st November 2013 for monthly and annual tickets and the 1st December 2013 for cash, Leap and prepaid tickets. The request in respect of monthly and annual tickets is the subject of this determination. Although it is planned to move to a more simplified Dublin Bus fares structure, this is beyond the scope of this current determination.

The requested increases vary for different ticket products and the range of requested changes are summarised as follows:

Ticket category	Dublin Bus requested increase on 2013 prices
Cash	See Determination 3
Leap	ditto
Prepaid tickets	ditto
Monthly and annual tickets	9.38% to 10.27%*
Adult Dublin Bus & Luas Add on Monthly	15.63%

*As a number of these tickets involve a revenue share with another operator the percentage increase on the Dublin Bus revenue component may be slightly different to the overall increase. The change in total ticket price is shown.

2.3 Determination by the Authority

The current determination is being undertaken in two stages with the first stage addressing the price of the monthly and annual tickets. Increases to the monthly and annual tickets will apply from 1st November 2013 and the determination considering increases to other Dublin Bus fares is published on the Authority's website as determination number 3.

Dublin Bus anticipates the following increase in costs (including reduced subvention) in 2014.

Dublin Bus estimated changes to costs in 2014 as reported to the Authority in July 2013	
Reduced PSO subvention	€4.5m
Plans for service level increases to meet growing customer demand	€2.0m
Increased fuel costs	€1.2m
Additional maintenance costs due to ageing fleet	€0.6m
Coin lodgment costs increasing due to necessity to switch all coin lodgments to the Central Bank	€0.5m
Increased Integrated Ticketing System (ITS) costs	€0.4m
Total	€9.2m

Notwithstanding the increase in costs as outlined above, Dublin Bus has over the last number of years generated cost savings in a number of different areas across the business. There have also been reductions in the Dublin Bus fleet which has resulted in significant maintenance and fuel savings. Total expenditure by Dublin Bus is forecast to fall by €1.31m between 2013 and 2014 and will contribute to the reduction in the company's operating deficit.

Although research indicates a very wide variation in price elasticity, it suggests that the Dublin Bus assumptions are not unreasonable compared with short run elasticities observed elsewhere. In reality any one operator will be experiencing a wide range of elasticity across different ticket types, areas served and time of day. An operator would typically use lower values for peak strong markets to/from the central zone and the highest values for weak off-peak local markets away from the central zone.

In requesting the fares increase, Dublin Bus expects to raise €9m in extra revenue in 2014 and in assessing the impact of fares increases on demand, Dublin Bus have applied factors to take account of the price elasticity of demand. However, it is of more concern that elasticity values

are observed to change over longer time periods, and that with sustained fares increases, an inelastic or unresponsive patronage reaction cannot always be assumed.

The Authority's approved increases in monthly, annual and multi-operator tickets are set out in the table below. The increases in monthly and annual tickets approved by the Authority are necessary in order that a sufficient level of service can continue to be provided. Dublin Bus will need to maintain its focus on cost control and service improvements because fares have increased year on year since 2010 at levels significantly higher than inflation and this will not be continued.

Ticket type	Current price	Requested price	Approved fares	Approved % increase
Adult Travelwide Monthly (Dublin Bus only)	€112.00	€123.00	€123.00	9.82%
Adult Short Hop Monthly (Dublin Bus & Irish Rail)	€142.00	€156.00	€156.00	9.86%
Adult Bus/Luas Monthly (Dublin Bus & Luas)	€131.50	€145.00	€145.00	10.27%
Adult Short Hop Monthly (Dublin Bus, Irish Rail & Luas)	€198.00	€218.00	€218.00	10.10%
<i>Adult Bus/Luas Add on Monthly (Dublin Bus & Luas)</i>	<i>€32.00</i>	<i>€37.00 (15.63%)</i>	<i>€35.00</i>	<i>9.38%</i>
Ticket type	Current price	Requested price	Approved fares	Approved % increase
Student Short Hop Monthly (Dublin Bus & Irish Rail)	€108.00	€119.00	€119.00	10.19%
Adult Travelwide Annual (Dublin Bus only)	€1,120.00	€1,230.00	€1,230.00	9.82%
Adult Short Hop Annual (Dublin Bus & Irish Rail)	€1,420.00	€1,560.00	€1,560.00	9.86%
Adult Bus/Luas Annual (Dublin Bus & Luas)	€1,315.00	€1,450.00	€1,450.00	10.27%
Adult Short Hop Annual (Dublin Bus, Irish Rail & Luas)	€1,980.00	€2,180.00	€2,180.00	10.10%
<i>Adult Bus/Luas Add on Annual (Dublin Bus & Luas)</i>	<i>€320.00</i>	<i>€370.00 (15.63%)</i>	<i>€350.00</i>	<i>9.38%</i>

At present, Iarnród Éireann (Irish Rail) customers purchasing point-to-point tickets can opt for a Dublin Bus/Luas add-on to their rail ticket. This add-on entitles them to travel on the Luas between Heuston and George's Dock, and on certain Dublin Bus routes. Add-on tickets can be cheaper than equivalent Dublin Bus tickets. The Railway Procurement Agency (RPA) and Dublin Bus had requested reducing the discount by applying an increase of over 15%. This is considered inappropriate and the discount will be reduced over a number of years. Instead, the approved increase is 9.38% on this product.

A range of improvements for bus customers will be introduced in the short term. Phase Two of the Leap project will begin to be implemented over the coming months, with the most obvious sign of this being Dublin Bus annual tickets migrating to the Leap card format and Rambler tickets moving on to Leap.

A number of other improvements in the service Dublin Bus provide are being rolled out including the phased delivery of 80 buses in 2013 following on from the 80 buses delivered in 2012. These new replacement buses have many enhanced features such as next stop audio announcements and visual displays and it also means that Dublin Bus now has a fully low floor wheelchair accessible fleet.

Other changes involved the commencement of a Wi-Fi pilot on a number of buses, a new online fares calculator and upgrades to Dublin Bus' website and apps. Network Direct is just complete involving the most significant reconfiguration of Dublin Bus services in the company's history and has yielded many benefits. These have included many new cross city routes, better integration with other public transport services and faster journey times on many services.

2.4 Conditions attached to this approval

Approved increases for monthly Tax saver products are on the basis that these will be made available on the Leap card format by 1st April 2014. If that date is not achieved, and if the Authority does not approve the reasons for the missed deadline, then these new fares will revert to their rates prior to this determination from the 1st April 2014.

3. Bus Éireann

3.1 Introduction

Bus Éireann PSO Services Programme is provided under public service contract to the National Transport Authority. These services are not commercial and attract a public service obligation payment in line with EU regulation 1370/07. They comprise:

- Regional City services in Cork, Limerick, Galway and Waterford
- Stage Carriage (i.e. multi-stop) services which include:
 - Commuter services within the Greater Dublin Area
 - Town services in Navan, Dundalk, Drogheda, Balbriggan, Sligo and Athlone
 - Commuter services from over 100 satellite towns and villages to the main gateway cities
 - Transport services throughout Ireland

Over the last 4 to 5 years, Bus Éireann has experienced a significant decrease in patronage, revenue and Public Service Obligation (PSO) subvention. At the same time the Department of Social Protection compensation to Bus Éireann for those availing of free travel has remained at 2010 levels and fuel prices have increased.

The company has delivered cost savings over this period by reducing operating costs. Costs per vehicle-kilometre and per passenger-kilometre have fallen. Bus Éireann has reduced payroll costs at a greater rate than staff numbers, demonstrating improved productivity. The company expect to reduce payroll costs by over €1 million this year followed by a further reduction of €1 million in 2014. Bus Éireann expect to save a further million euro this year and next year by reducing overhead and maintenance costs.

Bus Éireann are currently implementing a detailed Strategic Plan for the period 2013 to 2017 which includes a range of measures to ensure the long term viability of the company.

However the cost saving measures and their Strategic Plan are not enough on their own to ensure the viability of the Company. Passenger journey growth and an increase in fares are also required to maintain services at their current levels.

During the latter part of 2012 passenger journeys increased slightly in the Regional Cities and this increase in passenger numbers has continued to date in 2013. Bus Éireann are projecting growth of 1.5% in passenger numbers for 2014 in the Regional Cities services.

Passenger growth on Stage Carriage routes is more challenging but the fall in passenger numbers since 2008 appear to have stabilised. Year on year, passenger journeys are 0.3% lower in the early months of 2013 compared to the same period in 2012. For 2014 Bus Éireann is predicting passenger demand to grow by 1% on Stage Carriage services.

The table below outlines the projected annual passenger growth rate by PSO service type over the period of the next three years.

Projected Passenger Growth %	2014 %	2015 %	2016 %
Regional City	1.5	1.5	1.5
Stage Carriage	1.0	1.0	1.0

3.2 Proposal by Operator

Bus Éireann has written to the Authority requesting approval for a fares increase in respect of cash, Leap, prepaid tickets and monthly & annual taxsaver tickets. This determination will look at the monthly and annual taxsaver tickets and the changes approved will take effect from the 1st November 2013. The determination of increases to other Bus Éireann fares is published on the Authority's website as determination number 4.

Bus Éireann's proposal is to increase fares by an average of 6%. Individual fare changes may be more or less when rounding to the nearest 5c or 10c is taken into account. The aim is for an

overall 4% increase in revenue yield which equates to an additional €2.2m in revenue to Bus Éireann.

The requested increases vary for different fare bands and ticket products and the range of requested changes are summarised as follows:

Ticket category	Requested increase on 2013 prices
Cash	See Determination 4
Leap	ditto
Prepaid tickets	ditto
Monthly and annual tickets	5.26% to 6.99%

3.3 Determination by the Authority

Bus Éireann is planning a 2% reduction in expenditure in 2014. This includes a 2.8% reduction in payroll costs to deliver a €1.3m saving which is partly offset by an anticipated €0.4m increase in fuel costs. Reductions of over 1% are expected in maintenance costs and reductions of 3.7% in overhead costs.

Overall, while a 2% net cost reduction target appears modest, the Authority acknowledges that Bus Éireann are reducing costs across all aspects of their cost base and have already made substantial savings since 2008.

Although Bus Éireann has requested approval to increase fares by an average of 6%, they anticipate that the improvements to service quality will help to offset some of the negative impact of fares increases. Among the improvements implemented over the past year and into 2014 with the assistance of the Authority are:

- Revised regional city networks with improved frequencies and better access to employment areas and residential areas.
- Introduction of 60 new buses into service in 2012.
- Introduction of free Wi-Fi at 7 Bus Éireann stations.
- Roll out of Real Time Passenger Information displays in the regional cities and at various locations in the Greater Dublin Area.
- Bus Éireann information available on the National Journey Planner.

The Authority has decided to introduce an integrated Bus Éireann / Iarnród Éireann ticket on a pilot basis in 2014. These tickets can be introduced where there is both a Bus Éireann service and an Iarnród Éireann service serving the same locations. The integrated tickets will be rolled

out on the Dublin / Kilcock, Dublin / Enfield and Dublin / Mullingar routes in 2014 with a view to extending the number of locations subject to its successful operation on these routes.

These integrated tickets will offer the traveling public additional choice of services on the same route. It will allow the ticket holder for example to travel by train in the morning and return by bus in the evening on the same ticket. Currently there are 3 bus services and 4 train services between Mullingar and Dublin in the morning peak and a similar number between Dublin and Mullingar during the evening peak. Using an integrated ticket this will double the number of services available, offering greater flexibility to the commuter.

Tickets will be available as annual Tax saver. The 2014 ticket prices are set out in the table below.

2014 Annual Tax saver tickets	Iarnród Éireann only	Bus Éireann only	Integrated Bus Éireann / Iarnród Éireann tickets
Dublin/ Mullingar	€3,150.00	€3,102.00	€3,307.50
Dublin /Enfield	€2,100.00	€2,538.00	€2,664.90
Dublin/Kilcock	€1,570.00	€1,692.00	€1,776.60

The Authority approves the average 6% increase to the annual tickets which will apply from 1st November 2013 and the average 6% increases to the monthly tickets which will apply from 1st December 2013, in order that the wide range of services in rural areas and cities can continue to be provided.

These approved increases for both Bus Éireann Regional City commuter and Stage carriage are outlined in the tables below.

Table 1. Regional city commuter fares 2014.

REGIONAL CITY COMMUTER									
Fare type (Child, Adult, etc.)	Fare stage/route	Monthly				Annual			
		Fare type	Current ticket price	Approved ticket price	% Increase	Fare type	Current ticket price	Approved ticket price	% Increase
Adult	Cork City	Monthly	69.50	74.00	6.47%	Annual	764.50	814.00	6.47%
Adult	Limerick City	Monthly	61.50	65.50	6.50%	Annual	676.50	720.50	6.50%
Adult	Galway City	Monthly	61.50	65.50	6.50%	Annual	676.50	720.50	6.50%
Adult	Waterford City	Monthly	55.50	59.00	6.31%	Annual	610.50	649.00	6.31%
Adult	Cork City & Suburban	Monthly	86.00	92.00	6.98%	Annual	946.00	1,012.00	6.98%
Student	Cork City	Monthly	61.50	65.50	6.50%				
Student	Limerick City	Monthly	52.50	56.00	6.67%				
Student	Galway City	Monthly	53.00	56.50	6.60%				
Student	Waterford City	Monthly	44.50	47.50	6.74%				
Student	Cork City & Suburban	Monthly	71.50	76.50	6.99%				
Child	Cork City	Monthly	33.50	35.50	5.97%				
Child	Limerick City	Monthly	29.00	31.00	6.90%				
Child	Galway City	Monthly	29.00	31.00	6.90%				
Child	Waterford City	Monthly	27.50	29.00	5.45%				

Table 2. Stage carriage fares 2014.

STAGE CARRIAGE									
Fare type (Child, Adult, etc.)	Fare stage/route	Monthly				Annual			
		Fare type	Current ticket price	Approved ticket price	% Increase	Fare type	Current ticket price	Approved ticket price	% Increase
Adult	0-2	Monthly	63.20	67.20	6.33%	Annual	742.60	789.60	6.33%
Adult	2-4	Monthly	65.60	69.60	6.10%	Annual	770.80	817.80	6.10%
Adult	5-6	Monthly	66.80	70.80	5.99%	Annual	784.90	831.90	5.99%
Adult	7-8	Monthly	73.60	78.00	5.98%	Annual	864.80	916.50	5.98%
Adult	9-10	Monthly	106.00	112.00	5.66%	Annual	1,245.50	1,316.00	5.66%
Adult	11-12	Monthly	124.00	132.00	6.45%	Annual	1,457.00	1,551.00	6.45%
Adult	13-14	Monthly	130.00	138.00	6.15%	Annual	1,527.50	1,621.50	6.15%
Adult	15-16	Monthly	134.00	142.00	5.97%	Annual	1,574.50	1,668.50	5.97%
Adult	17-18	Monthly	134.00	142.00	5.97%	Annual	1,574.50	1,668.50	5.97%
Adult	19-20	Monthly	136.00	144.00	5.88%	Annual	1,598.00	1,692.00	5.88%
Adult	21-22	Monthly	140.00	148.00	5.71%	Annual	1,645.00	1,739.00	5.71%
Adult	23-24	Monthly	154.00	164.00	6.49%	Annual	1,809.50	1,927.00	6.49%
Adult	25-26	Monthly	164.00	174.00	6.10%	Annual	1,927.00	2,044.50	6.10%
Adult	27-30	Monthly	176.00	186.00	5.68%	Annual	2,068.00	2,185.50	5.68%
Adult	31-32	Monthly	192.00	204.00	6.25%	Annual	2,256.00	2,397.00	6.25%
Adult	33-36	Monthly	204.00	216.00	5.88%	Annual	2,397.00	2,538.00	5.88%
Adult	37-38	Monthly	208.00	220.00	5.77%	Annual	2,444.00	2,585.00	5.77%
Adult	39-42	Monthly	218.00	230.00	5.50%	Annual	2,561.50	2,702.50	5.50%
Adult	43-46	Monthly	220.00	232.00	5.45%	Annual	2,585.00	2,726.00	5.45%
Adult	47-50	Monthly	226.00	238.00	5.31%	Annual	2,655.50	2,796.50	5.31%
Adult	51-60	Monthly	228.00	240.00	5.26%	Annual	2,679.00	2,820.00	5.26%
Adult	61-64	Monthly	230.00	244.00	6.09%	Annual	2,702.50	2,867.00	6.09%
Adult	65-70	Monthly	232.00	248.00	6.90%	Annual	2,726.00	2,914.00	6.90%
Adult	71-75	Monthly	242.00	256.00	5.79%	Annual	2,843.50	3,008.00	5.79%
Adult	76-80	Monthly	246.00	260.00	5.69%	Annual	2,890.50	3,055.00	5.69%
Adult	81-85	Monthly	248.00	264.00	6.45%	Annual	2,914.00	3,102.00	6.45%
Adult	86-90	Monthly	254.00	270.00	6.30%	Annual	2,984.50	3,172.50	6.30%
Adult	91-95	Monthly	268.00	284.00	5.97%	Annual	3,149.00	3,337.00	5.97%
Adult	96-100	Monthly	278.00	296.00	6.47%	Annual	3,266.50	3,478.00	6.47%
Adult	101-110	Monthly	288.00	304.00	5.56%	Annual	3,384.00	3,572.00	5.56%
Adult	111-120	Monthly	292.00	310.00	6.16%	Annual	3,431.00	3,642.50	6.16%
Adult	121-140	Monthly	300.00	318.00	6.00%	Annual	3,525.00	3,736.50	6.00%
Adult	141-150	Monthly	302.00	320.00	5.96%	Annual	3,548.50	3,760.00	5.96%

3.4 Conditions attached to this approval

Approved increases for monthly Tax saver products for the Dublin region and Cork city are on the basis that these will be made available on the Leap card format by 1st April 2014. If that date is not achieved, and if the Authority does not approve the reasons for the missed deadline date, then these fares are to revert to their levels prior to this determination.

4. Iarnród Éireann (Irish Rail)

4.1 Introduction

Iarnród Éireann provides all rail passenger services nationally under a public service contract to the Authority for which they receive a Public Service Obligation (PSO) payment in line with EU regulation 1370/07.

Since 2008, Iarnród Éireann has experienced decreases in patronage, revenue, PSO payments and increased fuel costs. In response, Iarnród Éireann introduced a cost reduction programme which saw a fall in costs of €69m over this period; however, this programme has not been sufficient to offset the fall in subvention and the fall in passenger revenue.

Operating costs rose in 2013 and will rise again in 2014 due to a number of factors such as:

- Inventory reserves were reviewed in 2013, which will require an increased materials spend on maintenance items to resolve the backlog
- There were a number of once-off gains in 2013 in payroll holiday accrual and general overheads that will not repeat in 2014

As shown in the table overleaf, Iarnród Éireann has projected that passenger revenue in 2014 is expected to be more than in 2013 but the projected revenue includes the gains from their current requested fares increase application.

In examining the figures in the table overleaf, *Passenger Revenue* is a stand-alone figure. *Expenditure* is subtracted from *Total Other Revenue excluding Subvention and Free Travel payment* to give *Deficit before Subvention and Free Travel payment*. Then the Subvention and Free Travel payment are added to this deficit to give the *Surplus / Deficit after Subvention and Free Travel payment before exceptional items*. Finally, *Exceptional items* are subtracted from this figure to give *Net Profit / Loss*.

Iarnród Éireann Financial Summary	2012 Actual	2013 Projected	2014 Projected
	€000	€000	€000
Passenger Revenue	157,888	165,931	171,294*
Total Other Revenue excluding Subvention and Free Travel payment	172,652	185,823	186,986
Expenditure	343,844	353,100	362,400
Deficit before Subvention and Free Travel payment	-171,192	-167,277	-175,414
Subvention	166,418	142,400	133,000**
DSP Free Travel payment	14,608	14,608	14,608
Surplus / Deficit after Subvention and Free Travel payment and before exceptional items	9,834	-10,269	-27,806
Exceptional items (Voluntary Severance Programme)	-32,307	-6,100	-3,000
Net Profit / Loss	-22,473	-16,369	-30,806

*2014 projected revenue based on fares increase application received. **Indicative

4.2 Proposal by Operator

Iarnród Éireann has written to the Authority requesting a fares increase for implementation in 2013 and 2014 and the request in respect of monthly and annual tickets is the subject of this determination. The determination for other Iarnród Éireann fares is determination number 5.

The requested increases vary for different fare bands and ticket products and the range of requested changes are summarised as follows:

Ticket category	Requested increase on 2013 prices
Cash	See Determination 5
Leap	ditto
Prepaid tickets	ditto
Monthly and annual tickets	9.47% to 10.48%

Iarnród Éireann's overall fares request is for:

- Intercity single, day return and open return fares to increase by 2% on Express routes and 4% on Economy routes
- Short Hop Zone¹ fares to increase by an average of 10%
- Season Intercity and Commuter tickets to increase by an average of 10%

¹ The Short Hop Zone (SHZ) represents an area predominately in Iarnród Éireann's Dublin area network. The zone includes all stations between Balbriggan, Greystones/Kilcoole, Maynooth and Hazelhatch.

- Web fares to lie within a range from €9.99 to €49.99 and for web revenue to yield an average of 3%.

The rationale put forward by Iarnród Éireann for their fares changes on Intercity and the Short Hop Zone are as follows:

- It reduces the impact of the boundary issue where the first fare outside the Short Hop Zone was always significantly higher
- It supports the fares rationalisation principles by bringing Economy 1 & Economy 2 fares closer to Express fares
- Their recent research indicates that customers within the Short Hop Zone consider their products to be inexpensive
- By limiting the Intercity increase on single, day return and open return to 2% on Express routes it reduces the risk of further volume loss on these sensitive routes

Iarnród Éireann believes that their fares request is a balanced fares application that takes account of market demand and elasticities and reflects the requirement to deliver a 6% increase in revenue yield.

4.3 Determination by the Authority

Given that monthly and annual tickets offer significant cost savings to customers the resulting loss of patronage from an average 10% increase may not be as pronounced as for other ticket types. However, given the scale of the requested increase and the competitive environment where alternatives exist, there is potential for the positive value perception that customers have for these products to be diminished and potentially for the forecast revenue not to be realised in its entirety.

As outlined above, Iarnród Éireann's operating costs rose in 2013 and will rise again in 2014 due to a number of factors. Although Iarnród Éireann has reduced their costs over a number of years through their cost reduction programme, these are occasionally once-off items and costs are

increasing across a number of areas. It is therefore essential that Iarnród Éireann continue to focus on cost control and keeping costs permanently down.

Iarnród Éireann has requested approval to increase fares by approximately 10% on Intercity monthly and annual tickets and 10% on monthly and annual DART and Commuter tickets in the Short Hop Zone. It is the Authority's view that the financial situation of the company warrants the level of increase requested, although there are a number of exceptions.

The Authority is attempting to change the Iarnród Éireann fares structure through gradually improving pricing in the respective fare determinations. This is so as to implement a more distance based fares scheme, remove fare anomalies and smooth fare differences at the boundary of the Intercity and Commuter zones.

Iarnród Éireann requested an increase on Intercity monthly and annual fares by an average of 10%. However, the Authority has approved a range of increases in these tickets from 1.85% to 10.03% with many of the increases in the middle of this range. This has been done for a number of reasons, including:

- To ensure that many of the improvements in distance pricing and reduced anomalies that have been made to the Intercity singles, day returns and open returns are extended to the monthly and annual tickets
- So that the approved fares spread the increases in monthly fares more evenly across the zones and there is now a more consistent ratio between Express Day Return, monthly and annual tickets. Annual tickets continue to be directly related to monthly tickets
- The approved fare changes in the initial Intercity zones, in conjunction with the approved Short Hop Zone monthly and annual fares will smooth the differences at the boundary of the Intercity and Commuter zones and improve the fares transition between the two zones

The Authority has decided to introduce an integrated Bus Éireann / Iarnród Éireann ticket on a pilot basis in 2014. These tickets can be introduced where there is both a Bus Éireann service and an Iarnród Éireann service serving the same locations. The integrated tickets will be rolled out on the Dublin / Kilcock, Dublin / Enfield and Dublin / Mullingar routes in 2014 with a view to extending the number of locations subject to its successful operation on these routes.

These integrated tickets will offer the traveling public additional choice of services on the same route. It will allow the ticket holder for example to travel by train in the morning and return by bus in the evening on the same ticket. Currently there are three bus services and four train services between Mullingar and Dublin in the morning peak and a similar number between Dublin and Mullingar during the evening peak. Using an integrated ticket this will double the number of services available, offering greater flexibility to the commuter.

Tickets will be available as annual Tax saver. The 2014 ticket prices are set out in the table below:

2014 Annual Tax saver tickets	Iarnród Éireann only	Bus Éireann only	Integrated Bus Éireann / Iarnród Éireann tickets
Dublin/ Mullingar	€ 3,150.00	€ 3,102.00	€ 3,307.50
Dublin /Enfield	€ 2,100.00	€ 2,538.00	€ 2,664.90
Dublin/Kilcock	€ 1,570.00	€ 1,692.00	€ 1,776.60

The Authority has approved other increases as set out in the tables overleaf. The increase to the annual tickets will apply from 1st November 2013 and the increases to the monthly tickets will apply from 1st November 2013. The determination of increases to other Iarnród Éireann fares is determination number 5, published on the Authority's website.

The Authority considers that the level of increase approved is warranted, in order that a sufficient level of service can continue to be provided. However, there is a possibility that prolonged increases in fares of the magnitude requested, especially in particular segments of Iarnród Éireann's market could have serious negative consequences and that an inelastic patronage response cannot always be assumed. Iarnród Éireann needs to maintain a strong focus on cost control.

Iarnród Éireann's requested increases approved by the Authority

	Annual Fares Increase - Valid from 1st November 2013				Monthly Fares Increase - Valid from 1st November 2013			
	Current	Requested	Approved	Approved % change	Current	Requested	Approved	Approved % change
Short Hop Zone - rail only	€1,220	€1,340 (9.84%)	€1,340.00	9.84%	€122.00	€134 (9.84%)	€134.00	9.84%
Short Hop Zone - rail & feeder bus	€1,540	€1,700 (10.39%)	€1,700.00	10.39%	€154.00	€170(10.39%)	€170.00	10.39%
Short Hop Zone - rail & Dublin Bus	€1,420	€1,560 (9.86%)	€1,560.00	9.86%	€142.00	€156 (9.86%)	€156.00	9.86%
Short Hop Zone - rail & Luas	€1,610	€1,770 (9.94%)	€1,770.00	9.94%	€161.00	€177 (9.94%)	€177.00	9.94%
Short Hop Zone rail, bus & Luas	€1,980	€2,180 (10.10%)	€2,180.00	10.10%	€198.00	€218(10.10%)	€218.00	10.10%
Student Short Hop bus & rail	n/a	n/a	n/a	n/a	€108.00	€119(10.19%)	€119.00	10.19%
Intercity Zone A	€1,110	€1,220 (9.91%)	€1,160.00	4.50%	€111.00	€122 (9.91%)	€116.00	4.50%
Intercity Zone B	€1,500	€1,650 (10.00%)	€1,570.00	4.67%	€150.00	€165(10.00%)	€157.00	4.67%
Intercity Zone C	€1,600	€1,760 (10.00%)	€1,750.00	9.38%	€160.00	€176(10.00%)	€175.00	9.38%
Intercity Zone D	€2,000	€2,200 (10.00%)	€2,100.00	5.00%	€200.00	€220(10.00%)	€210.00	5.00%
Intercity Zone E	€2,200	€2,420 (10.00%)	€2,300.00	4.55%	€220.00	€242(10.00%)	€230.00	4.55%
Intercity Zone F	€2,800	€3,080 (10.00%)	€2,900.00	3.57%	€280.00	€308(10.00%)	€290.00	3.57%
Intercity Zone G	€2,900	€3,190 (10.00%)	€3,150.00	8.62%	€290.00	€319(10.00%)	€315.00	8.62%
Intercity Zone H	€3,090	€3,400 (10.03%)	€3,400.00	10.03%	€309.00	€340(10.03%)	€340.00	10.03%
Intercity Zone J	€3,490	€3,840 (10.03%)	€3,800.00	8.88%	€349.00	€384(10.03%)	€380.00	8.88%
Intercity Zone K	IÉ Rail All Services ticket €4,050	€4,460 (10.12%)	IÉ Rail All Services €4,400.00	8.64%	€405.00	€446(10.12%)	€440.00	8.64%
Intercity Zone L					€405.00	€446(10.12%)	€440.00	8.64%
Intercity Zone M	€4,050	€4,460 (10.12%)	€4,400.00	-	€510.00	€560(9.80%)	€552.00	8.24%
Intercity Zone N	€4,050	€4,460 (10.12%)	€4,400.00	-	€635.00	€700(10.24%)	€687.00	8.19%
Intercity Zone P	€4,050	€4,460 (10.12%)	€4,400.00	-	€730.00	€800(9.59%)	€790.00	8.22%
Intercity Zone R	€4,050	€4,460 (10.12%)	€4,400.00	-	€780.00	€860(10.26%)	€843.00	8.08%
Intercity Zone S	€4,050	€4,460 (10.12%)	€4,400.00	-	€850.00	€930(9.41%)	€918.00	8.00%
Intercity Zone T	€4,050	€4,460 (10.12%)	€4,400.00	-	€950.00	€1,000(5.26%)	€1,000.00	5.26%
Intercity Zone U	€4,050	€4,460 (10.12%)	€4,400.00	-	€1,080.00	€1,100(1.85%)	€1,100.00	1.85%
All Services								
All Iarnród Éireann services	€4,050	€4,460.00 (10.12%)	€4,400.00	8.64%	n/a	n/a	n/a	n/a
All Iarnród Éireann & Dublin Bus services	€4,430	€4,870.00 (9.93%)	€4,870.00	9.93%	n/a	n/a	n/a	n/a
All Iarnród Éireann and Bus Éireann services	€4,530	€4,980.00 (9.93%)	€4,980.00	9.93%	n/a	n/a	n/a	n/a
All Iarnród Éireann and Luas	€4,780	€5,260.00 (10.04%)	€5,260.00	10.04%	n/a	n/a	n/a	n/a
All CIÉ Group	€5,340	€5,870.00 (9.93%)	€5,870.00	9.93%	n/a	n/a	n/a	n/a

Iarnród Éireann's requested increases approved by the Authority

<u>Intercity Child Monthly Season</u>	<u>Current</u>	<u>Approved</u>	<u>% Increase</u>
Zone A	€39.00	€43.00	10.26%
Zone B	€58.00	€64.00	10.34%
Zone C	€70.00	€77.00	10.00%
Zone D	€87.00	€96.00	10.34%
Zone E	€95.00	€104.00	9.47%
Zone F	€118.00	€130.00	10.17%
Zone G	€130.00	€143.00	10.00%
Zone H	€135.00	€148.00	9.63%
Zone J	€150.00	€165.00	10.00%
Zone K	€185.00	€204.00	10.27%
Zone L	€205.00	€226.00	10.24%
Zone M	N/A	N/A	N/A
Zone N	N/A	N/A	N/A
Zone P	N/A	N/A	N/A
Zone R	N/A	N/A	N/A
Zone S	N/A	N/A	N/A
Zone T	N/A	N/A	N/A
Zone U	N/A	N/A	N/A

<u>Intercity Student Monthly Season</u>	<u>Current</u>	<u>Approved</u>	<u>% Increase</u>
Zone A	€77.00	€85.00	10.39%
Zone B	€101.00	€111.00	9.90%
Zone C	€110.00	€121.00	10.00%
Zone D	€150.00	€165.00	10.00%
Zone E	€161.00	€177.00	9.94%
Zone F	€200.00	€220.00	10.00%
Zone G	€215.00	€237.00	10.23%
Zone H	€220.00	€242.00	10.00%
Zone J	€250.00	€275.00	10.00%
Zone K	€295.00	€325.00	10.17%
Zone L	€330.00	€363.00	10.00%
Zone M	€375.00	€413.00	10.13%
Zone N	€460.00	€506.00	10.00%
Zone P	N/A	N/A	N/A
Zone R	N/A	N/A	N/A
Zone S	N/A	N/A	N/A
Zone T	N/A	N/A	N/A
Zone U	N/A	N/A	N/A

Rail & Bus Combined Tickets (Cobh & Midleton)

<u>Ticket Type</u>	<u>Ticket Type</u>	<u>Current</u>	<u>Approved Fares</u>	<u>% Increase</u>
443	Adult Monthly Cobh Line & Cork City Services	€114.50	€126.00	10.04%
444	Adult Monthly Midleton Line & Cork City Services	€131.50	€145.00	10.27%
445	Student Monthly Cobh Line & Cork City Services	€98.50	€108.00	9.64%
446	Student Monthly Midleton Line & Cork City Services	€110.00	€121.00	10.00%

Student Short Hop Zone

<u>Ticket Type</u>	<u>Ticket Type</u>	<u>Current</u>	<u>Approved Fares</u>	<u>% Increase</u>
210	Monthly Rail only (SHZ)	€85.00	€93.50	10.00%
457	Monthly Bus & Rail (SHZ)	€108.00	€119.00	10.19%
407	Monthly Rail/Luas (SHZ)	€124.00	€137.00	10.48%

Cork Cobh Annual ticket

<u>Zone</u>	<u>Current Fare</u>	<u>Approved Fare</u>	<u>Approved % Increase</u>
D	€1,010	€1,110	9.90%

<u>Zone</u>	<u>Cork Cobh Midleton</u>								
	<u>Current Fares</u>			<u>Approved Fares</u>			<u>Approved % Increase</u>		
	<u>Child Monthly</u>	<u>Student Monthly</u>	<u>Adult Monthly</u>	<u>Child Monthly</u>	<u>Student Monthly</u>	<u>Adult Monthly</u>	<u>Child Monthly</u>	<u>Student Monthly</u>	<u>Adult Monthly</u>
Zone A	€20.00	€28.00	€51.70	€22.00	€30.80	€57.00	10.00%	10.00%	10.25%
Zone B	€26.00	€37.50	€70.50	€28.60	€41.30	€77.50	10.00%	10.13%	9.93%
Zone C	€32.00	€44.50	€82.00	€35.20	€49.00	€90.00	10.00%	10.11%	9.76%
Zone D	€40.00	€58.50	€101.00	€44.00	€64.50	€111.00	10.00%	10.26%	9.90%
Zone E	€44.00	€67.00	€111.00	€48.50	€73.70	€122.00	10.23%	10.00%	9.91%

4.4 Conditions attaching to the approval

Approved increases for Iarnród Éireann's monthly Tax saver products in the Short Hop Zone (SHZ) are on the basis that these will be made available on the Leap card format by 1st April 2014. If that date is not achieved, and if the Authority does not approve the reasons for the missed deadline, then these new fares (e.g. €134 SHZ Rail only ticket) are to revert to their rates prior to this determination (e.g. €122 SHZ Rail only ticket) from the 1st April 2014.