



**Consideration of application to increase cash, Leap  
and pre-paid fares from Dublin Bus for 2014**

**Determination No. 3 for period Nov/Dec 2013 to Nov/Dec 2014**

**October 2013**

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## **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. 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 1<sup>st</sup> November 2013. These are contained in Determinations Number 1 (CIE Operators) and Number 2 (Luas) which are also available on the Authority's website. The second stage for cash, Leap and prepaid fares is the subject of this and other determinations (numbers 3, 4, 5 & 6 respectively) and changes in the price of all these tickets will be from 1<sup>st</sup> 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

**Dublin Bus** has written to the Authority requesting fares increases that will yield extra revenue of €6m in 2014. In this determination, the Authority's approved increases are outlined in the summary of details below and further information is available in the main sections.

The Authority have approved low increases on Leap, significant improvements in the price of Leap fares relative to cash and approved some fares reductions and consolidations. It is the Authority's view that having considered all of the operator's respective costs including their continued drive to reduce operational costs and revenues and the continued changes therein, that the level of increase approved overall is warranted 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 and any future fares determinations will examine in detail what has been achieved in cutting costs in 2014.

Headline changes:

- Leap fares increases have been kept low; substantially lower than those sought by the operator
- Requested cash increases have generally been accepted
- The savings in using Leap compared to cash have again risen substantially
- The number of lesser used fares has been consolidated and a number of these fares have been significantly reduced in price

Details of changes:

- Dublin Bus sought average increase on adult Leap fares of 9.7%
  - 2.7% increase was approved
- Dublin Bus sought increases on Leap child fares of 9.1%
  - 3.4% increase was approved
- Dublin Bus' main adult cash fare changes were approved with an average of 8.9%
- Dublin Bus' main child cash fare changes were approved with an average of 8.8%
- Improvements in lesser used fares with average Leap discount now at 18.3% and
  - Xpresso 1 zone Leap fare **reduced by 14%** to standard Over 13 stages fare
  - Outer Suburban 2 Leap fare **reduced by 12.5%**
  - Outer Xpresso 2 zones Leap fare **reduced by 12.5%**
- Increases in discounted prepaid tickets 9%-10%
- Greatly improved cash/Leap differentials:
  - Average adult Leap discount was 12.9% now 18.0%
  - Average child Leap discount was 11.5% now 15.8%
  - Average lesser used fares Leap discount was 11.9% now 18.3%

While Dublin Bus cash fares have increased significantly since 2011, the Authority and Dublin Bus have been able to offer value and savings to the customer through the use of Leap Card and pre-paid tickets. The increase between 2011 cash fare and the 2014 Leap fare has averaged

between 15 and 30 cents over three years representing an average of 5% increase each year. The table below demonstrates the cost control that can be achieved by using Leap in 2014.

<b>Ticket type</b>	<b>2011 cash fare</b>	<b>2014 cash fare</b>	<b>2014 Leap fare</b>
Adult Stages 1 to 3	€1.20	€1.80	€1.45
Adult Stages 4 to 7	€1.65	€2.35	€1.95
Adult Stages 7 to 13	€1.85	€2.60	€2.15
Adult Over 13 Stages	€2.30	€3.05	€2.50
Schoolchild	€0.65	€0.90	€0.70
Child Stages 1 to 7	€0.80	€1.10	€0.95
Child Over 7 Stages	€1.00	€1.30	€1.15

# **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 1<sup>st</sup> November 2013. These have been published in separate determinations (numbers 1 & 2) that are available on the Authority's website. The second stage for cash, Leap and prepaid fares is the subject of this and other determinations (numbers 3, 4, 5 & 6 respectively) and changes in the price of all these tickets will be from 1<sup>st</sup> 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 or in the same timeframe. 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 now it appears 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.

<b>Key Economic Indicators (real annual % growth)</b>								
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013f</b>	<b>2014f</b>	<b>2015f</b>
<b>Consumer Price Index (CPI)</b>								
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
<b>Gross National Product (GNP)</b>								
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
<b>Gross Domestic Product (GDP)</b>								
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 operational cost saving of €11m that is predicted to be achieved in 2014. The table below, based on the figures supplied in July 2013, indicates the anticipated financial position for 2013 and 2014, when it is expected deficits will remain, although they will be reducing compared to 2012.

<b>PSO Financial Summary</b>	<b>2012 Actual (€000)</b>	<b>2013 Projected (€000)</b>	<b>2014 Projected (€000)</b>
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 1<sup>st</sup> November 2013 for monthly and annual tickets and the 1<sup>st</sup> December 2013 for cash, Leap and prepaid tickets. The request in respect of cash, Leap and prepaid tickets is the subject of this determination.

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

<b>Ticket category</b>	<b>Dublin Bus requested increase on 2013 prices</b>
Cash	4% to 12.5%
Leap	7.14% to 11.11%
Prepaid tickets	0% to 11.54%
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.

Dublin Bus also wrote to the Authority requesting changes to their lesser used fares that promoted a move towards a more simplified fares structure. The changes specifically related to having:

- One Xpresso fare
- An Outer Suburban 2 fare priced the same as the Xpresso fare.

## 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. The second, the subject of this determination, relates to changes to cash, Leap and prepaid tickets and will apply from 1st December 2013.

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

<b>Dublin Bus estimated changes to costs in 2014 as reported to the Authority in July 2013</b>	
Reduced PSO subvention	€4.5m (estimated)
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
<b>Total</b>	<b>€9.2m</b>

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 (July 2013 estimates) and will contribute to the reduction in the company's operating deficit. Included in the expenditure is the €11m approximately in operational savings that Dublin Bus hope to implement in full in 2014.

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 cash, Leap, prepaid and multi-operator tickets are set out in the tables below. The increases in 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.

### The Authority's approved increases in cash, Leap, prepaid and multi-operator tickets

#### Cash fares

Zone	Fare type	Current Fare	Dublin Bus Proposed Fare	Approved Fare	Dublin Bus Proposed % Increase	Approved % Increase
<b>Adult</b>						
Stages 1 to 3	Single	1.65	1.80	1.80	9.1%	9.1%
Stages 4 to 7	Single	2.15	2.35	2.35	9.3%	9.3%
Stages 7 to 13	Single	2.40	2.60	2.60	8.3%	8.3%
Over 13 Stages	Single	2.80	3.00	3.05	7.1%	8.9%
<b>Child</b>						
Schoolchild	Single	0.80	0.90	0.90	12.5%	12.5%
Stages 1 to 7	Single	1.00	1.10	1.10	10.0%	10.0%
Over 7 Stages	Single	1.25	1.30	1.30	4.0%	4.0%

#### Leap fares

Zone	Fare type	Current Fare	Dublin Bus Proposed Fare	Approved Fare	Dublin Bus Proposed % Increase	Approved % Increase
<b>Adult</b>						
Stages 1 to 3	Single	1.40	1.55	1.45	10.7%	3.6%
Stages 4 to 7	Single	1.90	2.10	1.95	10.5%	2.6%
Stages 7 to 13	Single	2.10	2.30	2.15	9.5%	2.4%
Over 13 Stages	Single	2.45	2.65	2.50	8.2%	2.0%
<b>Child</b>						
Schoolchild	Single	0.70	0.75	0.70	7.1%	0.0%



Zone	Fare type	Current Fare	Dublin Bus Proposed Fare	Approved Fare	Dublin Bus Proposed % Increase	Approved % Increase
Stages 1 to 7	Single	0.90	1.00	0.95	11.1%	5.6%
Over 7 Stages	Single	1.10	1.20	1.15	9.1%	4.5%

The Authority is mindful of the cost-of-living issues that are affecting the travelling public and of providing value and alternatives. Customers migrating from cash to Leap will notice increased savings and the table below demonstrates the benefits that customers can make if they switch to Leap. So should current cash-paying customers wish to avoid or minimise the effects of the current fare changes they should consider the benefits that can be obtained by easily switching to using a Leap card. Aside from the many advantages it brings, it also gives many savings and new features are regularly being added.

New 2014 cash fare versus new 2014 Leap fare				
Type and stages	New approved cash fare	New approved Leap fare	Fare difference	% saving with Leap
Adult 1-3	€1.80	€1.45	€0.35	19.4%
Adult 4-7	€2.35	€1.95	€0.40	17.0%
Adult 7-13	€2.60	€2.15	€0.45	17.3%
Adult Over 13	€3.05	€2.50	€0.55	18.0%
Schoolchild	€0.90	€0.70	€0.20	22.2%
Child 1-7	€1.10	€0.95	€0.15	13.6%
Child Over 7	€1.30	€1.15	€0.15	11.5%

The Authority has also set new Dublin Bus daily and weekly Leap capping levels, see overleaf. This is subject to a separate determination available on the Authority's website; however, it indicates how the benefits of using the Leap card are continuously being extended.

Dublin Bus daily and weekly Leap capping levels			
	Adult	Student	Child
BÁC daily cap	6.90	5.00	2.50
BÁC weekly cap	27.50	20.00	8.20

Fare Capping is where there is a maximum charge per day or week for journeys done with a Leap card on one public transport operator. So, if a customer makes a lot of trips with their Leap

card during a Daily or Weekly (Monday to Sunday) time period, the amount they spend will be capped and the Leap card system will make sure they never pay more than the fare cap limit. Capping aims to make paying for public transport easier as users will be able to Pay-As-You-Go without having to decide in advance if they wish to commit to the up-front expense of buying a daily or weekly ticket.

### Other cash and Leap fares

Zone	Fare type	Current Fare	Dublin Bus Proposed Fare	Approved Fare	Dublin Bus Proposed % Increase	Approved % Increase
<b>Adult Cash</b>						
Outer suburban 1	Single	2.80	3.00	3.05	7.1%	8.9%
Xpresso 1 zone	Single	3.25	4.00	3.05	23.1%	-6.2%
Outer suburban 2	Single	4.40	4.00	4.20	-9.1%	-4.5%
Xpresso 2 zone	Single	4.40	4.00	4.20	-9.1%	-4.5%
City Centre fare	Single	0.65	0.70	0.70	7.7%	7.7%
Nitelink	Single	5.70	5.70	6.00	0.0%	5.3%

Zone	Fare type	Current Fare	Dublin Bus Proposed Fare	Approved Fare	Dublin Bus Proposed % Increase	Approved % Increase
<b>Adult Leap</b>						
Outer suburban 1	Single	2.45	2.65	2.50	8.2%	2.0%
Xpresso 1 zone	Single	2.90	3.50	2.50	20.7%	-13.8%
Outer suburban 2	Single	4.00	3.50	3.50	-12.5%	-12.5%
Xpresso 2 zone	Single	4.00	3.50	3.50	-12.5%	-12.5%
City Centre fare	Single	0.55	0.60	0.55	9.1%	0.0%
Nitelink	Single	5.00	5.00	5.00	0.0%	0.0%

Zone	Fare type	Current Fare	Dublin Bus Proposed Fare	Approved Fare	Dublin Bus Proposed % Increase	Approved % Increase
<b>Child Cash</b>						
Outer suburban 1	Single	1.25	1.30	1.30	4.0%	4.0%
Xpresso 1 zone	Single	2.15	2.30	1.30	7.0%	-39.5%
Outer suburban 2	Single	2.10	2.30	2.30	9.5%	9.5%
Xpresso 2 zone	Single	2.50	2.30	2.30	-8.0%	-8.0%
City Centre fare	Single	0.65	0.70	0.70	7.7%	7.7%

Zone	Fare type	Current Fare	Dublin Bus Proposed Fare	Approved Fare	Dublin Bus Proposed % Increase	Approved % Increase
<b>Child Leap</b>						
Outer suburban 1	Single	1.10	1.20	1.15	9.1%	4.5%
Xpresso 1 zone	Single	1.90	2.10	1.15	10.5%	-39.5%
Outer suburban 2	Single	1.90	2.10	2.00	10.5%	5.3%
Xpresso 2 zone	Single	2.20	2.10	2.00	-4.5%	-9.1%
City Centre fare	Single	0.55	0.60	0.55	9.1%	0.0%

## Pre-paid Tickets

The prepaid tickets already offer a large discount on the cash and Leap fares and it was felt appropriate to approve the increases requested by Dublin Bus. These are set out in the table below.

Ticket Description	Current Ticket Price €	Dublin Bus Proposed Ticket Price €	Approved Ticket Price €	Dublin Bus Proposed % Increase	Approved % Increase
1-Day Adult Rambler	6.90	7.60	7.60	10.14%	10.14%
1-Day Family Rambler	11.50	12.65	12.65	10.00%	10.00%
3-Day Adult Rambler	15.00	16.50	16.50	10.00%	10.00%
5 Day Adult Rambler	25.00	27.50	27.50	10.00%	10.00%
Rambler 30 Day Adult	125.00	137.50	137.50	10.00%	10.00%
Rambler 5 Day Student	18.30	20.00	20.00	9.29%	9.29%
Rambler 30 Day Student	91.50	100.00	100.00	9.29%	9.29%
Rambler 5 Day Child	7.50	8.20	8.20	9.33%	9.33%
Travel 90 - Adult - 10 Journey	25.00	27.50	27.50	10.00%	10.00%
Travel 90 Single	2.60	2.90	2.90	11.54%	11.54%
Travel 90 - Schoolchild -	7.50	8.20	8.20	9.33%	9.33%
Travel 90 - Scholar - 10 J	11.00	12.00	12.00	9.09%	9.09%
1-Day Adult Bus/Rail	12.00	13.20	13.20	10.00%	10.00%
1-Day Family Bus/Rail	17.70	19.50	18.25	10.17%	3.11%
3-Day Adult Bus/Rail	24.50	27.00	27.00	10.20%	10.20%
7-Day Adult Bus/Rail	42.50	46.50	46.50	9.41%	9.41%
Foreign Std. 2 Week	64.00	70.00	70.00	9.38%	9.38%

<b>Ticket Description</b>	<b>Current Ticket Price €</b>	<b>Dublin Bus Proposed Ticket Price €</b>	<b>Approved Ticket Price €</b>	<b>Dublin Bus Proposed % Increase</b>	<b>Approved % Increase</b>
Foreign Std. 3 Week	86.00	94.00	94.00	9.30%	9.30%
Foreign Std. 4 Week	108.00	118.00	118.00	9.26%	9.26%
Adult 1 Day Bus/Luas	8.10	8.80	8.80	8.64%	8.64%
Adult 7 Day Bus/Luas	32.80	36.00	36.00	9.76%	9.76%
Adult 30 Day Bus/Luas	131.50	145.00	145.00	10.27%	10.27%
Student 7 Day Bus/Luas	27.30	30.00	30.00	9.89%	9.89%
Student 30 Day Bus/Luas	98.00	108.00	108.00	10.20%	10.20%
Child 1 Day Bus/Luas	3.30	3.60	3.60	9.09%	9.09%
Child 7 Day Bus/Luas	8.90	9.80	9.80	10.11%	10.11%

There are a wide range of prepaid tickets and it is the Authority's intention to consolidate a number of these fares. The rollout of Dublin Bus Leap fare capping and the rollout of multi-operator Leap fare capping will greatly assist with offering customers attractive alternatives as tickets are either consolidated with existing tickets or removed.

In 2014 Leap will have a Dublin Bus and also a multi-operator capping facility. That will deliver similar benefits to the offers of many existing tickets. The following are examples of tickets that will be discontinued in 2014 - customers will be encouraged to use a Leap card instead.

<b>Ticket type</b>
3-Day Adult Rambler
1-Day Adult Bus/Rail
3-Day Adult Bus/Rail
7-Day Adult Bus/Rail
Foreign Std. 2 Week
Foreign Std. 3 Week
Foreign Std. 4 Week
Adult 1 Day Bus/Luas
Adult 7 Day Bus/Luas
Adult 30 Day Bus/Luas
Student 7 Day Bus/Luas
Student 30 Day Bus/Luas
Child 1 Day Bus/Luas
Child 7 Day Bus/Luas

## Summary

A summary of the fare changes approved by the Authority is outlined below.

### Headline changes:

- Leap fares have been kept very low
- Requested cash increases have generally been accepted
- The savings in using Leap compared to cash have again risen substantially
- The number of lesser used fares has been consolidated and a number of the fares have been significantly reduced in price

### Details of changes:

- Dublin Bus sought average increase on adult Leap fares of 9.7%
  - and 2.7% increase was approved
- Dublin Bus' main adult cash fare changes were approved with an average of 8.9%
- Dublin Bus sought increases on Leap child fares of 9.1%
  - and 3.4% increase was approved
- Dublin Bus' main child cash fare changes were approved with an average of 8.8%
- Improvements in lesser used fares with average Leap discount now 18.3% and
  - Xpresso 1 zone Leap fare **reduced by 14%** to standard Over 13 stages fare
  - Outer Suburban 2 Leap fare **reduced by 12.5%**
  - Outer Xpresso 2 zones Leap fare **reduced by 12.5%**
- Increases in discounted prepaid tickets 9%-10%
- Greatly improved cash/Leap differentials:
  - Average adult Leap discount was 12.9% now 18.0%
  - Average child Leap discount was 11.5% now 15.8%
  - Average lesser used fares Leap discount was 11.9% now 18.3%

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 attaching to Approval**

Increases on Dublin Bus Leap fares are contingent on Dublin Bus being enabled for Leap capping on its services by 1<sup>st</sup> December at latest and for multi-operator capping by 1<sup>st</sup> January 2014 at latest.