



**Consideration of proposal from the RPA to increase cash, Leap
and pre-paid fares for 2015**

Determination No. 10 - 2014

October 2014

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Executive summary

The National Transport Authority (the Authority) has the statutory obligation to secure the provision of light railway passenger services in the Greater Dublin Area. On 29th September 2014 the Authority co-signed with the Railway Procurement Agency (RPA) a five year contract with Transdev Dublin Light Rail Limited to operate the Luas services. The Authority has assigned aspects of its statutory function to the RPA, however, Luas fares and their alteration are determined by the Authority.

In recent years the Luas system has been faced with increased operating costs due to the opening of three new extensions to the Luas network since 2009. While passenger volumes have increased they have not improved to the extent that these additional costs can be met by increased ticket revenue. It is expected that Luas services will return to break-even or profitability in 2015 i.e. revenues will exceed the operating fees paid to Transdev, the contracted operator

Currently the economy is experiencing a good level of growth and predictions are that this will continue for the next year or more. This will contribute to growth in passenger numbers. The RPA has proposed a fares increase which would give a revenue yield of about 0.6% just above inflation to ensure they return to profit in 2015.

The Authority is setting the fares for 2015 for bus, rail and light rail services by way of a number of Determinations, with this determination addressing the price of the Luas cash, leap and pre-paid tickets. Increases to the annual tickets are permissible from 1st November 2014 and increases to the monthly, cash, leap and pre-paid tickets are permissible from 1st December 2014. The determination of other Luas fares namely monthly and annual is in Determination number 6.

Monthly and annual determinations:

Determination No. 5 - 2014 – CIÉ operators

Determination No. 6 - 2014 – Luas

Cash, Leap and other fares determinations:

Determination No. 7 -2014 – Dublin Bus

Determination No. 8 - 2014 – Bus Éireann

Determination No. 9 - 2014 – Irish Rail

Determination No. 10 - 2014 - Luas

In assessing this proposal the Authority took into consideration a number of factors including the current economic climate, the effect of the recession on the public's disposable income, that the Luas operations are being supported from a diminishing surplus and the need to maintain a sufficient level of service frequency. Also considered was that, currently, savings of between 31% - 52% in tax, PRSI and Universal Social Charge can be made on the approved prices for the annual and monthly tickets under the Tax saver scheme. Over 3,500 companies now purchase monthly and annual tickets for their employees under this scheme. Companies can also save up to 10.75% in PRSI.

This year the Authority is taking another step towards ensuring that Leap will offer best value for all single journeys. Currently Luas have a peak and an off-peak cash fare in order to encourage travel in off-peak times. This year the Authority has determined that there will be a peak and an off-peak Leap fare and that the current off-peak cash fare will be withdrawn. This will mean that if you wish to get best value on Luas off-peak it is only available with a Leap card.

The current 7-day and 30-day fares offered by Luas are being adjusted to ensure that the equivalent Leap fare or cap generally offers better value with a view to withdrawing a number of these fares over time.

The Authority have also ensured that all single fares are at least 20% cheaper if using Leap compared to cash resulting in Leap fares in 2015 being cheaper than the equivalent cash fare in 2012. Leap adult peak fares on Luas are on average 14% cheaper than the equivalent cash peak fare in 2012 with some fares up to 17% cheaper in 2015 compared to 2012. This offers the Leap user a significant saving over using cash. Off-peak Leap card adult users can save an average of 13% on the equivalent 2012 cash fare.

At a time when the cost of almost all forms of transport have increased it represents a significant boost to the leap card user that they can avail of fares which are up to 17% cheaper now than 3 years ago before Leap was introduced.

See table below for details of adult cash peak and off-peak fares in 2012 and the 2015 adult Leap peak and off-peak fares.

Table 1: 2015 adult Peak Leap fares compared with 2012 adult single peak fares

2015 adult Peak Leap fares compared with 2012 adult single peak fares				
	Cash 2012 adult single peak fare	Leap 2015 adult single peak fare	Savings in 2015 Leap compared to 2012 cash	2015 Peak Leap % cheaper than 2012 Peak cash
	€	€	€	%
Red 0	€1.70	€1.44	€0.26	15%
Green 0	€1.70	€1.44	€0.26	15%
Red 1	€2.00	€1.75	€0.25	13%
Green 1	€2.10	€1.75	€0.35	17%
Red 2	€2.30	€2.08	€0.22	10%
Green 2	€2.50	€2.08	€0.42	17%
Red 3	€2.50	€2.24	€0.26	10%
Green 3	€2.70	€2.24	€0.46	17%
Red 4	€2.70	€2.40	€0.30	11%
Green 4	€2.90	€2.40	€0.50	17%
		Average savings	€0.33	14%

Table 2: 2015 adult OFF-Peak Leap fares compared with 2012 adult single off-peak fares

2015 adult OFF-Peak Leap fares compared with 2012 adult single peak fares				
	Cash 2012 adult single off- peak fare	Leap off-peak 2015 adult single fare	Savings in 2015 off-peak Leap compared to 2012 off-peak cash	2015 off-peak Leap % cheaper than 2012 off-peak cash
	€	€	€	%
Red 0	€1.60	€1.39	€0.21	13%
Green 0	€1.60	€1.39	€0.21	13%
Red 1	€1.90	€1.70	€0.20	11%
Green 1	€2.00	€1.70	€0.30	15%
Red 2	€2.20	€2.03	€0.17	8%
Green 2	€2.40	€2.03	€0.37	15%
Red 3	€2.40	€2.19	€0.21	9%
Green 3	€2.60	€2.19	€0.41	16%
Red 4	€2.60	€2.35	€0.25	10%
Green 4	€2.80	€2.35	€0.45	16%
		Average savings	€0.28	13%

To ensure that all single fares are 20% cheaper when using Leap compared to cash the child Leap fare for traversing 3 or more zones will be reduced from €1.00 to €0.96. This result in the 2015 child leap fares being the same price or cheaper than the child cash fares in 2009. See table 3.

Table 3: 2015 Child Leap fares compared with 2009 child single cash fares

2015 Child Leap fares compared with 2009 child single fares				
Zones	Cash 2012 child single fare	Leap 2015 child single fare	Savings in 2015 Leap compared to 2009 cash	2015 Leap % cheaper than 2009 cash
	€	€	€	%
0-2	€0.80	€0.80	€0.00	0.0%
3+	€1.00	€0.96	€0.04	4.0%

The Authority, in a drive to increase the number of young people using public transport, increased the child age on the Leap card from up to 16th birthday to up to 19th birthday. This enables young people, still in second level education, to avail of child fares where the Leap Card is in operation. In late 2014 the Authority will introduce a second journey discount on Dublin Bus fares which will be introduced across all modes in early 2015. This second journey discount is designed to reduce the penalty on those customers who need to avail of a connecting service on any mode.

These innovations address problem fares and will incentivize increased use of public transport. However as would be expected they would have the effect of reducing the overall fare revenue to the operators. Therefore the Authority has looked at the fares for 2015 in the round, with the objectives of (i) meeting the assessed financial needs of Transdev Dublin Light Rail Limited in order to maintain services (ii) increasing Leap card use to improve bus journey times and cross-mode use and (iii) funding the fares innovations. This means that the Authority may reduce fares from those increases requested and may increase some fares above those requested, all in order to provide a balanced increase across all users. Some fares products have been underpriced relative to the other products

The approved fares permissible from 1st December 2014 are set out in the tables on pages 21 to 25 below.

1. Introduction

1.1 Background

The National Transport Authority (the Authority) has the statutory obligation to secure the provision of light railway passenger services in the Greater Dublin Area (section 48 of the Dublin Transport Authority Act 2008). In September 2014 the National Transport Authority (the Authority) and the Railway Procurement Agency (RPA) and Transdev Dublin Light Rail Limited signed a new Luas operation contract, under which includes Transdev runs the Luas services and also assumes responsibility for the maintenance of the Luas infrastructure and rolling stock through a number of novated maintenance contracts.

With passenger numbers growing on Luas services in recent times and modest fares increase over the past few years Luas is expected to at least break-even in 2015 and to return to profitability in 2016.

Determination of fares

The determination of fares for 2015 is being undertaken in two stages with this determination addressing the price of cash, Leap and pre-paid tickets. Increases to the cash, Leap and pre-paid tickets are permissible from 1st December 2014. The determination of increases to other Luas fares is in a separate report (Determination No. 6).

1.2 Factors influencing public transport demand and revenues

Public transport revenues for Luas come from three main sources: passenger fares, subsidy via the free travel grant from the Department of Social Protection, and relatively minor ancillary revenues (e.g. advertising). Passenger fares account for a substantial 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.

Passenger numbers on Luas have grown since 2010 following a fall-off in demand in late 2008 and 2009, however, there was a Red Line extension to the Docklands (Busáras to The Point) in December 2009, a Green Line extension to Cherrywood (Sandyford to Brides Glen) in October 2010 and a Red Line

extension to Citywest (Belgard to Saggart) in July 2011. Given these extensions, the RPA had expected passenger numbers to have increased by considerably more than actually occurred which would have helped cover the additional operational costs associated with the new lines. This led to a loss in profitability but as passenger growth continues and modest fare increases are applied RPA expect Luas to return to breakeven in 2015.

1.3 *The need for fare increases*

Luas public transport fare increases have been deemed to be necessary in recent years to compensate for reduced patronage and the increased operating costs due to the opening of three new extensions to the Luas network since 2009. While passenger volumes have increased they have not improved to the extent that these additional costs can be met by increased ticket revenue. Ancillary revenues have also reduced over the past number of years. Cost reduction programmes have been put in place.

1.4 *National Payments Plan*

The National Payments Plan (NPP) is a three year plan managed by the Central Bank of Ireland. 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.

There are significant benefits to reforming our payments system on public transport for both the public and the operators. The gains include cashless transactions, ease of use, discounting from cash fares, daily and weekly fare capping, quicker boarding, an improved public transport offer and with the Leap card, an integrated payments format.

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

1.5 Economic outlook

It is evident that the economy is starting to grow again after 5 or 6 years of decline or modest growth. As can be seen in the table showing a number of the key economic indicators on page 8 the forecast of growth in the economy for this year are between 4% and 5% depending on the forecast used and indeed how recent the forecast was delivered. If this predicted level of growth in the economy comes to pass it will help all sectors of the economy but public transport operators, while they will expect to benefit from the growth in the economy, will take some time to recover the losses they have suffered in the past 5 or 6 years.

Despite these encouraging forecasts for growth we are aware that some European economies are not enjoying the same level of growth in their economies and if that remains the case this may have an effect on Ireland's economy as we are partly relying on a growth in exports to achieve the expected levels of growth. Slow growth in Europe will dampen the level of exports from Ireland and in turn dampen our growth prospects

As the table overleaf shows, the increase in the Consumer Price Index in 2013 and forecast for 2014 is very small. 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.

Table 4: Key Economic Indicators

Key Economic Indicators (real annual % growth)									
	2008	2009	2010	2011	2012	2013	2014f	2015f	2016f
Consumer Price Index (CPI)									
CSO	4.1	-4.5	-1.0	2.6	1.7	0.5			
Central Bank							0.4	1.1	n/a
ESRI							0.3	1.0	n/a
Department of Finance (HICP)							0.5	1.0	1.4
IMF (HICP)							0.6	0.9	1.2
Gross National Product (GNP)									
CSO	-1.8	-9.1	0.5	-0.9	1.9	3.2			
Central Bank							4.9	3.1	n/a
ESRI							4.9	5.2	n/a
Department of Finance							4.1	3.3	2.5
Gross Domestic Product (GDP)									
CSO	-2.2	-6.4	-1.1	2.8	-0.3	0.2			
Central Bank							4.5	3.4	n/a
ESRI							5.0	5.3	n/a
Department of Finance							4.7	3.6	3.0
IMF							3.6	3.1	2.5

Source: Central Statistics Office (CSO), Central Bank Quarterly Bulletin Oct 2014, ESRI Quarterly Economic Commentary Autumn 2014, IMF World Economic Outlook October 2014, Department of Finance Budget 2015 Macroeconomic Forecasts – 7th October 2014 (2014 & 2015 forecast) and Department of Finance Monthly Economic Bulletin October 2014 (2016 forecast). Note “f” indicates forecast and HICP is the Harmonised Index of Consumer Prices which differs slightly from the Consumer Price Index (CPI).

1.6 *Fares Innovations*

Earlier this year the Authority examined the Child and Scholar Fares across the public transport operators and introduced a simplification of those fares across the public transport companies in the Greater Dublin Area which extended the permissible age for the Child Leap card fares to up to 19th birthday. Its introduction will impact the operators revenue in 2015.

The Authority is also introducing a second journey discount on Leap card fares on 2nd November on Dublin Bus services. This will allow the customer to get the discounts (€1.00 adults, €1.00 students €0.70 child) on a second journey that has been commenced within 90 minutes of the start of the first journey. It is planned to introduce this feature across all operators in 2015 which will impact their revenues. Therefore the Authority, in its determinations, has allowed for these costs.

2. Luas operations

2.1 Introduction

Luas currently has two tram lines, the green line which runs from Brides Glen to St Stephen's Green and the red line which runs from the Point in the Docklands to Tallaght with a spur to Citywest and a spur to Connolly rail station.

Over the past number of years there have been deficits between Luas revenue and operating costs and is forecast to have an operating deficit again in 2014. However they expect to return to break-even in 2015 and to profitability in 2016. To fund these deficits over the past few years the RPA have used their accumulated cash reserve, with the approval of the Authority.

It is expected that operating costs will reduce further over the next five years as a result of the award of a new operating contract earlier this year.

Given this deficit in 2014 and funding shortfall, the Authority recognises that a small fares increase is needed to generate increased revenue with the balance of the shortfall being met for this year from the RPA's accumulated operations cash reserve.

Table 5: Luas financial results and forecasts for period 2013 to 2016

Year	2013	2014*	2015*	2016*
Operating surplus/deficit on Luas infrastructure activities before interest, tax and depreciation	-€2.2m	-€1.27m	€0.05m	€1.36m

* Forecast June 2014– based on revenue accrued with fares increase applied

2.2 Proposal by RPA

The RPA has proposed to the Authority fares increase on Luas in respect of cash, Leap and prepaid tickets including tax-saver monthly and annual tickets varying from 0% to 12.5% for 2015. RPA expect the fare increases to yield about 0.6% i.e. close to the current rate of inflation. RPA expect passenger numbers to grow by about 3.4% in 2015 which will also contribute to revenue yield.

The minimum increase that can apply to Luas cash fares is 10c due to ticket vending machine constraints and so an increase of 10c on all single fares (including smartcards), 20c on return fares, and pro-rata increases on period passes would result in an average increase of around 6.0%.

Therefore, in order to increase fares by an average of 0.6% the RPA proposed to increase about half their fares and hold the other fares constant. As Leap card over time will become the main way to pay for public transport the 10 cent constraint will become less of an obstacle to applying a small fare increase over all fares as the Leap fare can be increased in 1 cent increments if necessary.

The RPA have proposed the increasing the off-peak cash fare to the peak fare and holding the peak fare thus eliminating a peak /off-peak fare differential. RPA have also proposed an adjustment of the 7-day and 30-day fares on a phased basis to facilitate their withdrawal over time.

3. Determination by the Authority

A number of factors need to be taken into consideration in assessing this request:

- The economic climate over the past 6 years,
- The effect of the recession on the public's disposable income and costs,
- That the accumulated surplus is being used to subsidise operations, and
- The need to maintain a sufficient level of service frequency.

Since the Leap card was introduced in 2012 the Authority have rolled out a number of measures to ensure that Leap users would generally get the best value in public transport fares. The Authority also has a policy of consolidating and rationalising tickets so as to reduce the array of ticket options and to offer customers a clear, concise and easy to understand choice. In 2012 and 2013 the Authority aligned the fares on the Red and Green lines reducing the number of single and return fares by half along with reducing the number of 7-day and 30-day fares also.

The introduction of capping on the Leap card and the migration of many ticket types, including monthly and annual tickets, onto the Leap card format has also assisted with this policy.

This year the Authority is taking further steps towards ensuring that Leap will offer best value for most Luas journeys and reduce the number of fare types to reach a point in the future where Leap will offer best value compared to all other fares with the possible exception of monthly and annual taxsaver fares.

3.1 Peak & Off-Peak Leap Fares

Currently Luas have a peak and an off-peak cash fare in order to encourage travel in off-peak times with the peak cash fare 10 cent dearer than the off-peak cash fare. The RPA have proposed merging these cash peak and off-peak fares and having the same fare operating all day. The Authority have determined that this merging of peak and off-peak cash fares can proceed but they are of the opinion that there is a need to manage passenger numbers during the peak morning period from 07:45 to 09:30 Hrs Mon - Fri excluding Public Holidays. Therefore the Authority is introducing an off-peak Leap only fare which will be available after 9:30 hrs Mon - Fri and at weekends. This will help encourage passengers who may not need to travel before 9:30 to wait until after rush hour and avail of off-peak Leap fares. As all Leap fares are calculated automatically the passengers will not have to do anything extra to avail of this discount except tag on their Leap card on the validator after 9:30 am.

Initially the off-peak Leap discount is set at 5 cent compared to the peak Leap fare and while this is a modest discount it is up to 22.8% cheaper than the cash fare and it is expected that this discount may increase over the next few years.

3.2 Savings when using Leap

Since Leap was introduced in 2012 there has been a discount for Leap compared to the equivalent cash fare. This year the Authority has determined that the discount available by using Leap to pay for your public transport journey will be at least 20% compared to the equivalent cash fare.

In order to achieve this 20% discount on the cash fare it is necessary to drop the Leap fare marginally on some fares by up to 2.6% and hold the current Leap fare on the other single fares. This is the second year in a row that there have been small decreases on the Leap fare with the largest increase on Leap fares since 2013 being 3 cent on the red 2 fare and the largest decrease 11 cent on the Green 3 fare. These changes highlight the excellent value Leap fares provide.

The table below summarises the current adult single fares available on Luas in 2015. In all cases significant savings are available when using Leap.

Table 6: Luas adult single fares 2015

Luas adult single fares 2015			
Number of zones traversed	Leap Off-Peak	Leap Peak	Cash
0	€1.39	€1.44	€1.80
1	€1.70	€1.75	€2.20
2	€2.03	€2.08	€2.60
3	€2.19	€2.24	€2.80
4+	€2.35	€2.40	€3.00

Since Leap was introduced in 2012 they have offered a discount compared to cash fares and each year the level of discount has increased and as outlined above in 2015 it will be 20%. This will be a massive saving which can be availed of just by using a Leap card to pay for your single journey.

If we look at the 2015 Leap fare and compare it to the cash fare in 2012 we see that there are savings of up to 17% on a green 1, green 2 and green 4 peak cash fares. On average the saving is 14% on peak fares and 13% on off-peak fares with the actual savings between 17 cent and 50 cent. That means that you could save €1.00 each day on two single trips when paying by Leap in 2015 compared to paying by cash in 2012.

Table 7 and 8 below shows the 2012 cash fares and 2015 Leap fares and the savings which can be made by using Leap.

Table 7: 2015 adult Peak Leap fares compared with 2012 adult single peak fares

2015 adult Peak Leap fares compared with 2012 adult single peak fares				
	Cash 2012 adult single peak fare	Leap 2015 adult single peak fare	Savings in 2015 Leap compared to 2012 cash	2015 Peak Leap % cheaper than 2012 Peak cash
	€	€	€	%
Red 0	€1.70	€1.44	€0.26	15%
Green 0	€1.70	€1.44	€0.26	15%
Red 1	€2.00	€1.75	€0.25	13%
Green 1	€2.10	€1.75	€0.35	17%
Red 2	€2.30	€2.08	€0.22	10%
Green 2	€2.50	€2.08	€0.42	17%
Red 3	€2.50	€2.24	€0.26	10%
Green 3	€2.70	€2.24	€0.46	17%
Red 4	€2.70	€2.40	€0.30	11%
Green 4	€2.90	€2.40	€0.50	17%
		Average savings	€0.33	14%

Table 8: 2015 adult Off-Peak Leap fares compared with 2012 adult single off-peak fares

2015 adult OFF-Peak Leap fares compared with 2012 adult single peak fares				
Number of zones traversed	Cash 2012 adult single off- peak fare	Leap off-peak 2015 adult single fare	Savings in 2015 off-peak Leap compared to 2012 off-peak cash	2015 off-peak Leap % cheaper than 2012 off-peak cash
	€	€	€	%
Red 0	€1.60	€1.39	€0.21	13%
Green 0	€1.60	€1.39	€0.21	13%
Red 1	€1.90	€1.70	€0.20	11%
Green 1	€2.00	€1.70	€0.30	15%
Red 2	€2.20	€2.03	€0.17	8%
Green 2	€2.40	€2.03	€0.37	15%
Red 3	€2.40	€2.19	€0.21	9%
Green 3	€2.60	€2.19	€0.41	16%
Red 4	€2.60	€2.35	€0.25	10%
Green 4	€2.80	€2.35	€0.45	16%
		Average savings	€0.28	13%

At a time when the cost of almost all forms of transport have increased it represents a significant boost to the leap card user that they can avail of fares which are up to 17% cheaper now than 3 years ago before Leap was introduced.

Below are set out the cash and Leap fares for 2015 as determined by the Authority and as can be seen there is at least a 20% discount and up to 22.8% discount when using Leap compared to using cash with the higher discounts available if travelling off-peak.

Table 9: ADULT PEAK - CASH & LEAP FARES 2015

ADULT PEAK - CASH & LEAP FARES					
Zone	Adult/Child	Fare type (Single, Return, 7 Day, etc.)	Approved Cash	Approved Leap	Approved Leap
			Fare	Peak fare	discount
0	Adult	Single Peak	1.80	1.44	20.0%
1	Adult	Single Peak	2.20	1.75	20.5%
2	Adult	Single Peak	2.60	2.08	20.0%
3	Adult	Single Peak	2.80	2.24	20.0%
4+	Adult	Single Peak	3.00	2.40	20.0%

Table 10: ADULT OFF-PEAK - CASH & LEAP FARES 2015

OFF_PEAK CASH & Leap FARES					
Zone	Adult/Child	Fare type (Single, Return, 7 Day, etc.)	Approved Cash	Approved Leap	Approved Leap
			Fare	Peak fare	discount
0	Adult	Single OFF-Peak	1.80	1.39	22.8%
1	Adult	Single OFF-Peak	2.20	1.70	22.7%
2	Adult	Single OFF-Peak	2.60	2.03	21.9%
3	Adult	Single OFF-Peak	2.80	2.19	21.8%
4+	Adult	Single OFF-Peak	3.00	2.35	21.7%

3.3 Child Fares

Child fares have not increased since January 2012. As the Luas ticket machines can only accept 10 cent coins or larger any cash fare increase must therefore be at least 10 cent. The Authority has determined that as there was no increase in the child fares for the past 3 years the cash fare will increase by the minimum allowable due to the constraints of the Luas ticket machines which is 10 cent in December 2014.

In order to ensure children travelling by Luas can avoid a 10 cent or 11% increase in their single fare the Authority have determined that the current Leap fare of €0.80 will remain as it is and the €1.00 Leap fare will actually decrease to €0.96 to ensure that all Leap fares are 20% cheaper than the equivalent cash fare. This ensures that children using a Leap card can continue to travel on Luas in 2015 at fares which are the same as or cheaper than the cash fare in December 2009, six years earlier. Table 11 below shows the child fares for 2015 as determined by the Authority and table 12 compares the 2015 Leap fares with the 2009 cash fares.

Table 11: CHILD - CASH & LEAP FARES 2015

CHILD - CASH & LEAP FARES					
Zone	Adult/Child	Fare type	Approved Cash Fare	Approved Leap Peak fare	Approved Leap discount
0-2	Child	Single	€1.00	€0.80	20%
3+	Child	Single	€1.20	€0.96	20%

Table 12: 2015 Child Leap fares compared with 2009 child single cash fares

2015 Child Leap fares compared with 2009 child single fares				
Zones	Cash 2012 child single fare	Leap 2015 child single fare	Savings in 2015 Leap compared to 2009 cash	2015 Leap % cheaper than 2009 cash
	€	€	€	%
0-2	€0.80	€0.80	€0.00	0.0%
3+	€1.00	€0.96	€0.04	4.0%

3.4 Pre-Paid tickets

As stated above the Authority has a policy of consolidating and rationalising tickets so as to reduce the array of ticket options and to offer customers a clear, concise and easy to understand choice. The different fares for red and green lines which operated since Luas operations began were merged over the past 2 years. With the introduction of Leap daily and weekly capping and multi-operating capping a number of fares can be withdrawn as the capping offers similar benefits and in some cases offers better value to the customer.

During 2014 the almost life expired magnetic card readers used by Dublin Bus were decommissioned. As a result a number of magnetic based tickets were withdrawn. These included a number of combined Luas / Dublin Bus tickets such as the adult 1-day, 7-day and 30 Day Bus/Luas tickets. The multi-operator cap offers similar value compared to these tickets and these tickets were withdrawn.

Other tickets which can be withdrawn are the 1 day Luas & Irish Rail Short Hop Zone and the 7-day Luas & Irish Rail Short Hop Zone tickets. These tickets currently cost €11.80 and €46.50 respectively which is dearer than the multi-operator cap of €10.00 and €40.00 for the 1-day and weekly cap. No increase is approved on these fares and they will be withdrawn in 2015.

The Authority has examined the current 7-day and 30-day fares offered by Luas and compared them to the equivalent Leap fare. For example the current adult 7-day 4 zones ticket is €23.00 which is only €0.50 cheaper than the weekly cap. The Authority has decided to retain the daily and weekly caps at the current rates for 2015 while the adult 7-day 4 zones ticket is increasing by 2.2% or €0.50 in 2015. Then it will be the same price as the weekly cap and there will be no financial advantage in purchasing the adult 7-day 4 zones ticket compared to using a Leap card to pay for each trip during the week. This is because €23.50 is the maximum one will be charged when using Leap Monday to Sunday. If there is a day you get a lift or walk and do not use the Luas you may spend less than the weekly cap. If you have pre-purchased an adult 7-day 4 zones ticket you will have paid in advance for your ticket and will not benefit

if there is a day you do not use the ticket. Therefore Leap capping will offer better value and in time the 7-day and 30-day fares which do not offer the same value as Leap can be withdrawn.

For those purchasing tickets for shorter Luas journeys such as travelling through 1 or 2 zones only the daily or weekly cap may not offer the best value. Most people who purchase a 7-day ticket will use it only 9 or 10 times and similar or better value can be obtained by paying for each trip using Leap. For example an adult 7-day one zone only pre-paid ticket will be €14.70 in 2015 while 10 single trips paying with Leap will cost €14.40 peak or €13.90 off-peak a saving of between 30 cent and 80 cent depending when you travel. If you do not take 10 journeys during the week you will save even more by using the Leap option.

The Authority has determined that the adult 7-day, 30-day and flexi tickets will increase by between 2.1% and 7.7%. All of these tickets will have an equivalent Leap fare whether it is 10 peak single Leap fares, a daily cap, a weekly cap or 40 peak single Leap fares, in the case of some 30-day tickets, which are no dearer than the pre-paid ticket and in quite a number of cases offer better value than the pre-paid ticket without having to purchase in advance. If one is travelling off peak the savings by using Leap will be even greater. As the differential between pre-paid fares and Leap increases the relevant pre-paid tickets can be withdrawn.

The pre-paid child and student tickets for shorter distances offer excellent value and in a number of cases offer better value than Leap. While that is the case we will not withdraw the relevant pre-paid fare. Increases for child and student pre-paid fares will be 2.4% and 6.9%.

Up to August 2014 the child fare was only available to children up to their 16th birthday and now the Authority has extended the child age up to a child's 19th birthday if using a personalised child Leap card to pay for their travel. This offers significant savings to school going children who are regular users of Luas. For example a 16 year old child in January 2014 travelling to school by Luas traversing 3 zones may have been paying €16.00 for a 7-day student ticket. This 17 year old child in January 2015 will be able to travel the same journey by Luas using a child personalised Leap card and will be charged no more than €8.20, a child weekly Luas Leap cap, for the weeks travel a saving of almost 50%.

Irish Rail intercity customers purchasing rail tickets can opt for a Dublin Bus/Luas add-on to their rail ticket. This add-on entitles them to travel on Luas Red Line between Heuston Station and Dublin Connolly station or George's Dock, and on certain Dublin Bus routes. Add-on tickets are considerably

cheaper than equivalent Luas tickets. RPA, Iarnród Éireann and Dublin Bus had requested a 9% increase on these add-on fares for adults and students. The Authority considered the value offered by this ticket and determined that a 9% increase in the cost of these tickets is reasonable. The adult Luas add-on fare will still offer excellent value even at this increased price.

The child add-on fares charged currently are €0.80 single and €1.60 return. This year RPA, Iarnród Éireann and Dublin Bus are requesting that the fare for 2015 be €0.90 single and €1.80 return. However as this fare is only available to someone who has already purchased an intercity fare they should not be charged more for this ticket than the lowest price at which it is on sale elsewhere. A Luas child fare when paying with Leap is €0.80 and this price will not change in 2015. Therefore the add-on fare for a child shall remain at €0.80 and the return at €1.60.

3.5 Fare capping

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. Multi-operator capping allows travel on a combination of operators from Dublin Bus, Luas and Iarnród Éireann.

The Authority has determined that the Luas daily and weekly cap will remain at current levels despite the fares increases and this will ensure that more passengers will reach one or other of the caps. The multi-operator caps will also remain at the same level as currently applies.

Table 13: Luas and Multi-Operator daily and weekly Leap caps

Luas daily and weekly Leap capping levels from 1 December 2014			
	Adult	Student	Child
Luas daily cap	€6.40	€5.00	€2.50
Luas weekly cap	€23.50	€18.00	€8.20

Multi-Operator daily and weekly Leap capping levels from 1 December 2014			
	Adult	Student	Child
Multi-Operator daily cap	€10.00	€7.50	€3.50
Multi-Operator weekly cap	€40.00	€30.00	€14.00

3.6 Night-Luas

Luas operate a Night-Luas service on the Green line at Christmas time. The fare since Luas began operations in 2004 has not change and currently is €4.00 cash and €3.80 Leap. The Authority have approved the RPA request to increase the cash fare to €5.00 but the Leap fare will increase to €4.00 rather than the €4.50 that RPA requested. This will ensure that the Leap fare is 20% cheaper than the cash fare.

3.7 Conditions attaching to the approval

RPA may introduce the Leap Off-Peak fares from 1 December 2014 unless there are technical reasons why this cannot happen but shall be introduced at latest by 1 February 2015.

All the Luas fares as determined by the Authority are outlined in the tables on the following pages.

Luas Adult Single - CASH & ITS FARES -- PEAK

Number of zones traversed	Adult Child	Fare type	<u>Peak Cash</u>					<u>Peak LEAP</u>					<u>PEAK differential</u>		
			Current Peak Fare	RPA proposed Peak Fare	Approved Peak Fare	Proposed % Increase	Approved % Increase	Current Fare	RPA proposed Fare	Approved Peak Leap Fare	Proposed % Increase	Approved % Increase	Current discount	RPA proposed discount	Approved discount
0	Adult	Single Peak	1.80	1.80	1.80	0.0%	0.0%	1.45	1.45	1.44	0.0%	-0.7%	19.4%	19.4%	20.0%
1	Adult	Single Peak	2.20	2.20	2.20	0.0%	0.0%	1.75	1.75	1.75	0.0%	0.0%	20.5%	20.5%	20.5%
2	Adult	Single Peak	2.60	2.60	2.60	0.0%	0.0%	2.10	2.10	2.08	0.0%	-1.0%	19.2%	19.2%	20.0%
3	Adult	Single Peak	2.80	2.80	2.80	0.0%	0.0%	2.30	2.30	2.24	0.0%	-2.6%	17.9%	17.9%	20.0%
4	Adult	Single Peak	3.00	3.00	3.00	0.0%	0.0%	2.40	2.40	2.40	0.0%	0.0%	20.0%	20.0%	20.0%
5-7	Adult	Single Peak	3.00	3.00	3.00	0.0%	0.0%	2.40	2.40	2.40	0.0%	0.0%	20.0%	20.0%	20.0%

Luas Adult Single - CASH & Leap-- Off-Peak

Number of zones traversed	Adult/Child	Fare type (Single, Return, 7 Day, etc.)	<u>OFF PEAK Cash</u>					<u>OFF PEAK Leap</u>					<u>OFF PEAK differential</u>		
			Current Off- Peak Fare	Proposed Off-Peak Fare	Approved Off-Peak Fare	Proposed % Increase	Approved % Increase	Current Fare	RPA proposed Fare	Approved Off-Peak Fare	Proposed % Increase	Approved % Increase	Current discount	Proposed discount	Approved discount
0	Adult	Single OFF-Peak	1.70	1.80	1.80	5.9%	5.9%	1.45	1.45	1.39	0.0%	-4.1%	14.7%	19.4%	22.8%
1	Adult	Single OFF-Peak	2.10	2.20	2.20	4.8%	4.8%	1.75	1.75	1.70	0.0%	-2.9%	16.7%	20.5%	22.7%
2	Adult	Single OFF-Peak	2.50	2.60	2.60	4.0%	4.0%	2.10	2.10	2.03	0.0%	-3.3%	16.0%	19.2%	21.9%
3	Adult	Single OFF-Peak	2.70	2.80	2.80	3.7%	3.7%	2.30	2.30	2.19	0.0%	-4.8%	14.8%	17.9%	21.8%
4	Adult	Single OFF-Peak	2.90	3.00	3.00	3.4%	3.4%	2.40	2.40	2.35	0.0%	-2.1%	17.2%	20.0%	21.7%
5-7	Adult	Single OFF-Peak	2.90	3.00	3.00	3.4%	3.4%	2.40	2.40	2.35	0.0%	-2.1%	17.2%	20.0%	21.7%

Child Single - CASH & Leap All-Day Fares

Number of zones traversed	Adult/Child	Fare type (Single, Return, 7 Day, etc.)	<u>Child Cash</u>					<u>Child Leap</u>					<u>Cash / Leap differential</u>		
			Current Fare	Proposed Fare	Approved Off-Peak Fare	Proposed % Increase	Approved % Increase	Current Fare	RPA proposed Fare	Approved Fare	Proposed % Increase	Approved % Increase	Current discount	Proposed discount	Approved discount
0 to 2	Child	Single	0.90	0.90	1.00	0.0%	11.1%	0.80	0.80	0.80	0.0%	0.0%	11.1%	11.1%	20.0%
3+ zones	Child	Single	1.10	1.10	1.20	0.0%	9.1%	1.00	1.00	0.96	0.0%	-4.0%	9.1%	9.1%	20.0%

Adult Cash Return All- Day

Fare type	Peak/Off Peak	Zones traversed	Current Ticket Price	RPA Proposed Fare	RPA Proposed % Increase	Approved Ticket Price	Approved % Increase
Adult Cash Return	All day	0	3.20	3.40	6.2%	3.40	6.2%
Adult Cash Return	All day	1	3.80	4.00	5.3%	4.00	5.3%
Adult Cash Return	All day	2	4.60	4.80	4.3%	4.80	4.3%
Adult Cash Return	All day	3	5.00	5.20	4.0%	5.20	4.0%
Adult Cash Return	All day	4 to 7	5.30	5.50	3.8%	5.50	3.8%

Child Cash Return All- Day

Fare type	Peak/Off Peak	Zones traversed	Current Ticket Price	RPA Proposed Fare	RPA Proposed % Increase	Approved Ticket Price	Approved % Increase
Child Cash Return	All day	0 to 2	1.70	1.70	0.0%	1.70	0.0%
Child Cash Return	All day	3+ zones	2.10	2.10	0.0%	2.10	0.0%

PREPAID Fares 1-day, 7-Day & 30-Day

Fare type	Fare type (7 Day, 30 Day, etc.)	Number of zones traversed	Current Fare	RPA Requested Fare	% Increase requested	Approved fare	Approved % increase
Adult	1 Day Flexi & 1 day Flexi (Agent)	All zones	€6.40	€6.40	0.0%	€6.80	6.2%
Adult	7 Day	0	€14.00	€14.50	3.6%	€14.70	5.0%
Adult	7 Day	1	€16.40	€17.50	6.7%	€17.50	6.7%
Adult	7 Day	2	€20.00	€21.00	5.0%	€21.30	6.5%
Adult	7 Day	3	€21.70	€23.00	6.0%	€23.10	6.5%
Adult	7 Day, 7 Day Flexi & 7 Day Flexi (Agent)	4 to 7 & all zones	€23.00	€24.00	4.3%	€24.00	4.3%
Adult	30 Day	0	€55.50	€59.00	6.3%	€58.50	5.4%
Adult	30 Day	1	€65.00	€69.00	6.2%	€70.00	7.7%
Adult	30 Day	2	€80.00	€84.00	5.0%	€84.00	5.0%
Adult	30 Day	3	€87.00	€91.00	4.6%	€93.00	6.9%
Adult	30 Day, 30 Day Flexi & 30 Day Flexi (Agent)	4 to 7 & all zones	€91.00	€95.00	4.4%	€95.00	4.4%

Fare type	Fare type (7 Day, 30 Day, etc.)	Number of zones traversed	Current Fare	RPA Requested Fare	% Increase requested	Approved fare	Approved % increase
Child	1 Day Flexi & 1 Day Flexi (Agent)	All zones	€2.70	€2.70	0.0%	€2.80	3.7%
Child	7 Day	0 to 2	€6.80	€6.80	0.0%	€7.20	5.9%
Child	7 Day, 7 Day Flexi & 7 Day Flexi (Agent)	3 to 4 & All Zones	€8.40	€8.40	0.0%	€8.60	2.4%
Child	30 Day	0 to 2	€27.20	€27.20	0.0%	€29.00	6.6%
Child	30 Day & 30 Day Flexi	3 to 4 & All Zones	€33.80	€33.80	0.0%	€35.00	3.6%

Fare type	Fare type (7 Day, 30 Day, etc.)	Number of zones traversed	Current Fare	RPA Requested Fare	% Increase requested	Approved fare	Approved % increase
Student	7 Day	0	€11.00	€11.00	0.0%	€11.70	6.4%
Student	7 Day	1	€12.50	€13.00	4.0%	€13.20	5.6%
Student	7 Day	2	€15.00	€15.50	3.3%	€16.00	6.7%
Student	7 Day	3	€16.00	€17.00	6.3%	€17.10	6.9%
Student	7 Day, 7 Day Flexi & 7 Day Flexi (Agent)	4 to 7 & All Zones	€18.00	€18.00	0.0%	€18.50	2.8%
Student	30 Day	0	€40.00	€42.00	5.0%	€42.50	6.3%
Student	30 Day	1	€46.00	€49.00	6.5%	€49.00	6.5%
Student	30 Day	2	€54.00	€57.00	5.6%	€57.50	6.5%
Student	30 Day	3	€59.00	€63.00	6.8%	€63.00	6.8%
Student	30 Day, 30 Day Flexi & 30 Day Flexi (Agent)	4 to 7 & All Zones	€66.00	€70.00	6.1%	€70.00	6.1%

<u>Luas/Dublin Bus add-on to Irish Rail Intercity Fare</u>							
Fare type		Peak/Off Peak	Current Ticket Price	RPA Proposed Fare	RPA Proposed % Increase	Approved Ticket Price	Approved % Increase
Adult	Single	All day	1.60	1.70	6.2%	1.70	6.2%
Adult	Return	All day	3.20	3.40	6.2%	3.40	6.2%
Adult	Weekly	All week	9.00	9.80	8.9%	9.80	8.9%
Child	Single	All day	0.80	0.90	12.5%	0.80	0.0%
Child	Return	All day	1.60	1.80	12.5%	1.60	0.0%

Luas / Irish Rail Short Hop Zone							
Fare type		Peak/Off Peak	Current Ticket Price	RPA Proposed Fare	RPA Proposed % Increase	Approved Ticket Price	Approved % Increase
Adult	1 day	All day	11.80	12.85	8.9%	11.80	0.0%
Adult	7 day	All day	46.50	50.70	9.0%	46.50	0.0%
Student	Weekly	All day	39.00	42.50	9.0%	39.00	0.0%

Note: As the multi-operator daily and weekly Leap caps are less than the cost of these fares the tickets will be withdrawn during 2015. The daily and weekly caps are outlined on page 18 above.