



**Consideration of application to increase cash, Leap  
and pre-paid fares from Dublin Bus for 2015**

**Determination No. 7 - 2014**

**October 2014**

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## 1 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 and the CIÉ companies have experienced a substantial cumulative increase in fuel costs over this same period.

The economic forecasts have improved in recent months which would indicate a return to growth in demand for public transport. This fares determination has been based on the basis that the amount allocated to the Public Service Obligation (PSO) payments will not be reduced in 2015. However, fare increases are necessary in order that a sufficient level of service can continue to be provided. It is the Authority's view that having considered all of the operator's respective costs and revenues that fares increases for these ticket types is warranted.

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. Leap card is now available in Cork and Galway with Limerick and Waterford to follow in 2015.

There continues to be some financial instability within the C.I.É. group and its operating companies. The continual losses sustained by the C.I.É. group have resulted in a refinancing of the company with the interest on those borrowings requiring repayment. Some of this interest has been transferred to the C.I.É. operating companies' balance sheets. Dublin Bus has written to the Authority requesting fares increases that will yield extra revenue of €4.9m in 2015.

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. While Dublin Bus, Bus Éireann and Iarnród Éireann have implemented efficiencies in their operations, they need to continue to maintain a

strong focus on cost control and to examine ways of reducing costs, as future fares increases will be more moderate and will track closer to inflation.

The Authority is setting the fares for 2015 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 is permissible from 1<sup>st</sup> November 2014 (see determinations 5 & 6). The second stage is for all other fares (see determination numbers 7, 8, 9 & 10) with those changes permissible from 1<sup>st</sup> December 2014.

The various determinations are:

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 – Iarnród Éireann
- Determination No. 10 2014 - Luas

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 16<sup>th</sup> birthday to up to 19<sup>th</sup> 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 incentivise 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 Dublin Bus in order to maintain services and meet increasing demand (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. In this regard, some fares products have been underpriced relative to the other products leading to unequal burden on some customers.

The Authority considers that there is an excessive number of single journey fares on Dublin Bus – these are associated with various distance stages, as well as outer Suburban fares and Xpresso fares. Such a variety of cash fares lead to uncertainty amongst customers as to the correct fare to be paid which leads to delays at boarding with enquiries to the driver. In this determination, the Authority has decided to merge some of the single journey fares. Currently there are 8 single adult fare types and each has a cash and a Leap fare. This determination will reduce that to 4 different adult Leap single fares and 5 different adult cash single fares.

Since Leap was introduced in 2012 the Leap single fare has been cheaper than the equivalent cash fare and this year the Authority when setting the fares for 2015 have ensured that the Leap fare will be at least 20% cheaper than the equivalent cash fare. This ensures in significant savings just by using Leap to pay for your journey. Furthermore the daily and weekly Leap caps will not change ensuring that multi-journey users will continue to be very well incentivized.

The table below outlines the savings that will be available when using Leap compared to cash.

Type and stages	Current Cash fare	Current Leap fare	New approved cash fare	New approved Leap fare	Saving with Leap	% saving with Leap
<b>Adult 1-3</b>	€1.80	€1.45	€1.95	€1.50	€0.45	23%
<b>Adult 4-7</b>	€2.35	€1.95	€2.55	€2.05	€0.50	20%
<b>Adult 7-13</b>	€2.60	€2.15	€2.80	€2.05	€0.75	27%
<b>Adult Over 13</b>	€3.05	€2.50	€3.30	€2.60	€0.70	21%
<b>Adult Suburban</b>	€3.05 (1 zone)	€2.50 (1 zone)	€3.30	€2.60	€0.70	21%
	€4.20 (2 zones)	€3.50 (2 zones)	€3.30	€2.60	€0.70	21%
<b>Adult Xpresso</b>	€3.05 (1 zone)	€2.50 (1 zone)	€3.60	€2.85	€0.75	21%
	€4.20 (2 zones)	€3.50 (2 zones)	€3.60	€2.85	€0.75	21%

Type and stages	Current Cash fare	Current Leap fare	New approved cash fare	New approved Leap fare	Saving with Leap	% saving with Leap
Schoolchild	€0.90	€0.70	€0.95	€0.75	€0.20	21%
Child 1-7	€1.10	€0.95	€1.15	€0.90	€0.25	22%
Child Over 7	€1.30	€1.15	€1.40	€1.10	€0.30	21%
Child Suburban	€1.30 (1 zone)	€1.15 (1 zone)	€1.40	€1.10	€0.30	21%
	€2.30 (2 zones)	€2.00 (2 zones)	€1.40	€1.10	€0.30	21%
Child Xpresso	€1.30 (1 zone)	€1.15 (1 zone)	€1.50	€1.20	€0.30	20%
	€2.30 (2 zones)	€2.00 (2 zones)	€1.50	€1.20	€0.30	20%
City centre fare	€0.70	€0.55	€0.75	€0.60	€0.15	20%
Nitelink	€6.00	€5.00	€6.50	€5.00	€1.50	23%

While Dublin Bus's cash fares have been increased substantially since 2012, the Authority has been able through the use of the Leap card to reduce the impact or improve the value and savings to customers, for many of the fares stages.

The table below compares Leap fares for 2015 to the cash fares that applied in 2012. For 6 of the 8 cash fares payable on Dublin Bus, the 2015 Leap fares are cheaper. This represents extremely good value for those customers who have chosen to migrate to using the Leap card and highlights the savings customers can enjoy on top of the other enhanced features on Leap. In the case of the other 2 cash fares the increase since 2012 has been kept at 8% at most.

Stages	Cash 2012 adult fare €	Leap 2015 adult fare €	Difference between 2015 Leap fare and 2012 cash fare €	2015 Leap fare compared to 2012 cash fare %
1-3	€1.40	€1.50	+€0.10	+7%
4-7	€1.90	€2.05	+€0.15	+8%
8-13	€2.15	€2.05	-€0.10	-5%
13+ Stages	€2.65	€2.60	-€0.05	-2%
Sub 1	€2.65	€2.60	-€0.05	-2%
Sub 2	€4.10	€2.60	-€1.50	-37%
Xpr 1	€3.00	€2.85	-€0.15	-5%
Xpr 2	€4.10	€2.85	-€1.25	-30%
		<b>Average savings</b>	<b>+€0.36</b>	<b>+8%</b>

**Headline changes:**

- All single journey fares are at least 20% cheaper if paying by Leap card compared to paying by cash.
- The adult Leap fares for 4 to 7 stages and 8 to 13 are merged at €2.05.
- Different cash fares will remain for cash 4 to 7 stages (€2.55) and 8 to 13 stages (€2.80) paying by cash.
- The adult fares for 13+ stages, outer suburban 1 and outer suburban 2 have been merged and the fare is €2.60 Leap or €3.30 cash.
- The premium Xpresso 1 zone and Xpresso 2 zones fares have also been merged and the single Xpresso fare is now €2.85 Leap and €3.60 cash.
- All suburban and Xpresso fares included in the weekly and daily caps.

**Daily and weekly Leap caps remain the same as in 2014:**

Cap	Dublin Bus Journeys		
	Adult	Student	Child
Daily	€6.90	€5.00	€2.50
Weekly	€27.50	€20.00	€8.20

Cap	Multi-operator Journeys		
	Adult	Student	Child
Daily	€10.00	€7.50	€3.50
Weekly	€40.00	€30.00	€14.00

## 2 Introduction

### 2.1 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 is 100% owned by Córas Iompair Éireann (CIÉ). CIÉ is a statutory body with ownership vested in the Minister for Transport, Tourism & Sport.

This fares determination has been based on the assumption that the amount allocated to the Public Service Obligation (PSO) payments will not be reduced in 2015. Nevertheless, the reductions over a number of years have had a cumulative negative effect on the operator's financial position.

While Dublin Bus has implemented efficiencies in their operations, they will need to continue to maintain a strong focus on cost control and to examine ways of reducing costs as future fares increases will be more moderate and will track closer to inflation.

Passenger journeys have stabilised and begun to increase in 2014 but Dublin Bus expects that passenger numbers will remain steady or fall slightly in 2015.

#### **Staged determination of fares**

The Authority is undertaking the 2015 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 2014. These determinations are on the Authorities website (numbers 5 and 6).



The second stage for cash, Leap and prepaid fares will be published in separate determinations (numbers 7, 8, 9 & 10 respectively) and changes in the price of all these tickets will be from 1<sup>st</sup> December 2014. That is the subject of this determination.

## **2.2 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 modes other than public transport 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, however this trend may have begun to reverse in direction in 2014. 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, service levels have remained generally stable.

### **2.3 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.

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. The demand for public transport has begun to increase in 2014 in areas that are seeing economic recovery and as a result revenue has increased which will help to keep fares increases down overall this year compared to the previous 3 years.

### **2.4 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 therefore intends to contribute 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.

## **2.5 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 below 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.

<b>Key Economic Indicators (real annual % growth)</b>									
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014f</b>	<b>2015f</b>	<b>2016f</b>
<b>Consumer Price Index (CPI)</b>									
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
<b>Gross National Product (GNP)</b>									
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
<b>Gross Domestic Product (GDP)</b>									
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).

## **2.6 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 operators in the Greater Dublin Area and regional cities 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 2<sup>nd</sup> November on Dublin Bus services. This will allow the customer to get the discounts (€1.00 adult, €1.00 student, €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 revenue effects.

## **3 Dublin Bus**

### **3.1 Introduction**

Dublin Bus passenger numbers have fallen by 20% between 2008 and 2013. The decline has been easing since the middle of 2012 and Dublin Bus now expects to carry about 2% more passengers in 2014 compared with 2013. Dublin Bus expects passenger numbers to remain steady in 2015 or at worst decline slightly due to increased Luas Cross-City works in the city centre area.

During the same period of 2008-2013 their PSO funding was cut by 25% and there was also a significant increase in the cost of fuel. It is expected that there will be no further cut to PSO funding in 2015 and the increase in fuel prices has moderated.

During this period Dublin Bus has made expenditure savings, spanning all areas of the business. Payroll costs have been reduced by 19% largely through a reduction in staff numbers and a pay freeze for all staff which has been in force since 2008 and pay cuts introduced in 2013. A reconfiguration of services through Network Direct also contributed to expenditure savings. In addition the Dublin Bus fleet has been reduced by over 200 buses resulting in maintenance and fuel savings.

In 2015 Dublin Bus anticipate additional costs resulting from service level increases to meet expected demand resulting from a growing economy – this is positive for public transport but it has cost impacts. Luas Cross-City works will be intensified in the city in 2015 with the carrying out of utility works in key areas and the commencement of the main line laying contract in the second half of the year.

While the Authority has funded new buses for Dublin Bus over the past number of years there was not sufficient funding to prevent the average age of the Dublin Bus fleet getting older and thus requiring additional maintenance with attendant costs.

Despite making expenditure savings, Dublin Bus has suffered annual losses for the past six years. With the expected increase in passenger numbers in 2014 and fuel price increases moderating

Dublin Bus expect to make a small profit in 2014 however it will take some time for them to recover the losses made over the past six years. Despite the improving economic conditions Dublin Bus still require a fares increase in 2015 although not at the same level as the fare increases in the past few years.

The table below indicates the anticipated financial position for Dublin Bus in 2014 and 2015. In both years it is expected that the operator will make a small surplus after subvention and free travel payments and before exceptional items. The cost associated with the second journey discount has not been included in the table below.

Table 1: projected financial position to 2015 (excluding impact of introduction of 2<sup>nd</sup> journey discount)

<b>PSO Financial Summary</b>	<b>2013</b> Actual	<b>2014</b> Projected June 2014	<b>2015*</b> Projected June 2014
	€000	€000	€000
Total revenue excluding PSO payment and Free Travel payment	171,635	179,472	184,348
Total Expenditure	258,786	257,802	261,881
Deficit before subvention and Free Travel payment	-87,151	-78,330	-77,533
Subvention	64,540	60,054	60,054**
DSP Free Travel payment	20,444	20,595	20,595
<b>Surplus / Deficit after subvention and Free Travel payment and before exceptional items</b>	<b>-2,167</b>	<b>2,319</b>	<b>3,116</b>

*\*2015 projected revenue based on requested fares increase application received. \*\*Indicative*

### 3.2 Proposal by Operator

Dublin Bus has written to the Authority requesting an average fare increase of about 6% that will yield a 3% increase in revenue taking the effect of elasticity into consideration and that passenger numbers may fall slightly. This 6% average fare increase is sought in varying ways across different fares with most fares requested to increase by between 3% and 7% but in some exceptional cases a higher increase is sought where Dublin Bus wish to merge fares.

The requested implementation dates for the fare increases is the 1st November 2014 for monthly and annual tickets and the 1st December 2014 for cash, Leap and prepaid tickets. This determination looks at the cash, Leap and prepaid tickets and the changes approved will take effect from the 1st December 2014. The determination of increases to other Dublin Bus fares is published on the Authority's website as part of determination number 5.

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 2014 prices</b>
Up to 13+ stages - Cash	3.85% to 7.69%
Xpresso and suburban cash	-22.62 to 18.03%
Up to 13+ stages - Leap	3.45% to 7.14%
Xpresso and suburban Leap	-25.71% to 20.0%
Prepaid tickets	5.69% to 10.34%
Monthly and annual tickets	See Determination 5
Adult Dublin Bus & Luas Add on Monthly	See Determination 5

\*As a number of these tickets involve 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 wrote to the Authority requesting changes to their lesser used fares that promoted a move towards a more simplified fares structure. This has resulted in large changes in a small number of fares and is outlined in more detail in section 2.3 below.

### **3.3 Determination by the Authority**

As outlined at 2.1 above it has been a difficult financial time for Dublin Bus since 2008 with falling passenger journeys, reduced PSO funding and increased fuel costs. Dublin Bus made substantial cuts in all areas of expenditure including payroll over the past number of years but still suffered substantial losses over this period. It now appears that the worst of the difficult times are over but it will take some time for Dublin Bus to recover from 6 very difficult years. This year Dublin Bus



expects passenger journeys to grow by about 2% and the increase in fuel prices has moderated. It is expected that PSO funding will remain at 2014 levels in 2015.

While these are all positive signs there will be additional pressures on Dublin Bus funding as traffic congestion grows in line with the economic recovery and additional maintenance costs are incurred due to an ageing bus fleet. June 2015 will also see the end of a 19 month cost reduction agreement as per the terms of the Labour Court Recommendations and this will add about €3.3 million in a full year. Dublin Bus needs additional revenues to consolidate their financial position and continue to provide a quality service to its 110 million plus customers every year.

Since August this year the age for children using a personalized child Leap card to pay for their public transport has increased from those children under 16 years to those under 19 years. Also schoolchild fares on Dublin Bus services have been extended until 19:00 each school day during the week. This will have an impact on Dublin Bus revenue in 2015. A second journey discount will be introduced in November which will result in passengers who take a second journey on Dublin Bus within 90 minutes of the start of their first journey will receive a discount on their second journey. This is designed to reduce the cost for those passengers who need to take two journeys to reach their destination and encourage greater use of public transport. It is estimated that this may cost Dublin Bus up to €1 million in revenue foregone in 2015 and this revenue effect is not included in the financial summary table in section 2.1.

With the construction of Luas Cross City over the next 2 to 3 years it is expected that congestion in the city centre close to the on-street work sites will increase temporarily and this may have a negative impact on Dublin Bus with some services journey times increasing. This will result in an additional cost of services to keep the frequencies of the services at the same level to ensure any slowdown caused by the congestion is minimized to the customer.

In requesting the fares increase, Dublin Bus expects to raise €4.9m (€3.9m when second journey discount is included) in extra revenue in 2015 giving them an operation surplus of about 1.3% when account is taken of the PSO and the DSP free travel payment but before exceptional items.

The impact of the second journey discount has not been taken into account in Dublin Bus's proposal.

### **3.4 Merging of Adult Fares**

The Authority considers that there is an excessive number of single journey fares on Dublin Bus – these are associated with various distance stages, as well as outer Suburban fares and Xpresso fares. Such a variety of cash fares lead to uncertainty amongst customers as to the correct fare to be paid which leads to delays at boarding with enquiries to the driver. In this determination, the Authority has decided to merge some of the single journey fares.

Currently there are 8 adult single fare types and each has an associated cash and Leap fare. The Authority has determined that there will be 4 different leap fares and 5 different cash fares from December next. This will simplify the fare offering and make it easier to use. The adult 1 to 3 stages fare will remain with a cash and Leap alternative, the Leap fare being 23% cheaper than the cash. Stages 4 to 7 and stages 8 to 13 Leap fares will be merged into one fare at €2.05 meaning those using their Leap card to travel between 8 and 13 stages will see their fare dropping by about 4.7%. On the cash side there will still be a stages 4 to 7 cash price of €2.55 and a stages 8 to 13 the cash price which will be €2.80. The adult 13+ stages, outer suburban 1 and outer suburban 2 fares will merge with outer suburban 2 fares dropping by more than 20%. The new fare here will be €2.60 Leap and €3.30 cash.

The final fare will be the new Xpresso fare which is coming together of Xpresso 1 (travel within 1 zone) and Xpresso 2 (travel within 2 zones). The Xpresso is a special service designed to allow for faster and more efficient bus travel for daily commuters, during both morning and evening rush hour traffic. Xpresso routes are more direct than many other bus routes, offering passengers a quicker service. These routes also have fewer stops and therefore, reduce journey times between destinations. As the Xpresso services provides a quality bus service, quicker and more consistent journey times and more direct routes across the city it charges a premium fare. The merging of these fares will mean a 14% increase in the Leap Xpresso 1 fare and a similar decrease in the Xpresso 2 fare. The increase and decrease on the cash side will be about 18%. However it should

be remembered that each of the Xpresso Leap fares reduced by about 12% last year and the Xpresso cash fares fell by between 4.5% and 6.2%. In fact the Xpresso Leap fare will be 5.2% cheaper in 2015 than it was in 2013 even allowing for the large increase now.

### 3.5 Savings with Leap

Since the introduction of the Leap card there have always been a saving when paying for single journeys using Leap compared to cash. This saving has been growing over the past few years and this year the Authority has determined that for all adult single journeys that the Leap fare will be at least 20% cheaper than the equivalent cash fare and in a number of cases considerable more. For example the cash fare for 8 to 13 stages will be €2.80 while the Leap fare for the same journey will be €2.05 a saving of 27% or €1.50 on a return journey.

While Dublin Bus's cash fares have been increased substantially since 2012, the Authority has been able through the use of the Leap card to reduce the impact or improve the value and savings to customers, for many of the fares stages.

The table below compares Leap fares for 2015 to the cash fares that applied in 2012. For 6 of the 8 cash fares payable on Dublin Bus, the 2015 Leap fares are cheaper. This represents extremely good value for those customers who have chosen to migrate to using the Leap card and highlights the savings customers can enjoy on top of the other enhanced features on Leap. In the case of the other 2 cash fares the increase since 2012 has been kept at 8% at most.

	Cash 2012 adult fare	Leap 2015 adult fare	Difference between 2015 Leap fare and 2012 cash fare	2015 Leap fare compared to 2012 cash fare
Stages	€	€	€	%
1-3	€1.40	€1.50	+€0.10	+7%
4-7	€1.90	€2.05	+€0.15	+8%
8-13	€2.15	€2.05	-€0.10	-5%
13+ Stages	€2.65	€2.60	-€0.05	-2%
Sub 1	€2.65	€2.60	-€0.05	-2%
Sub 2	€4.10	€2.60	-€1.50	-37%

	Cash 2012 adult fare	Leap 2015 adult fare	Difference between 2015 Leap fare and 2012 cash fare	2015 Leap fare compared to 2012 cash fare
Stages	€	€	€	%
Xpr 1	€3.00	€2.85	-€0.15	-5%
Xpr 2	€4.10	€2.85	-€1.25	-30%
		<b>Average savings</b>	<b>+€0.36</b>	<b>+8%</b>

The adult single fares as determined by the Authority are set out in the two tables below.

### Leap adult single fares

Stages	Current Fare	Dublin Bus Proposed Fare	Dublin Bus Proposed % Increase	Approved Fare	Approved % Increase
<b>Adult Leap single fares</b>					
Stages 1 to 3	1.45	1.50	3.45%	1.50	3.45%
Stages 4 to 7	1.95	2.05	5.13%	2.05	5.13%
Stages 8 to 13	2.15	2.25	4.65%	2.05	-4.65%
Over 13 Stages	2.50	2.60	4.00%	2.60	4.00%
Outer Suburban 1	2.50	2.60	4.00%	2.60	4.00%
Outer Suburban 2	3.50	2.60	-25.71%	2.60	-25.71%
Xpresso 1 zone	2.50	3.00	20.00%	2.85	14.00%
Xpresso 2 zones	3.50	3.00	-14.29%	2.85	-18.57%

### Cash adult single fares

Stages	Current Fare	Dublin Bus Proposed Fare	Dublin Bus Proposed % Increase	Approved Fare	Approved % Increase
<b>Adult Cash single fares</b>					
Stages 1 to 3	1.80	1.90	5.56%	1.95	8.33%
Stages 4 to 7	2.35	2.50	6.38%	2.55	8.51%
Stages 8 to 13	2.60	2.80	7.69%	2.80	7.69%
Over 13 Stages	3.05	3.25	6.56%	3.30	8.20%
Outer Suburban 1	3.05	3.25	6.56%	3.30	8.20%
Outer Suburban 2	4.20	3.25	-22.62%	3.30	-21.43%
Xpresso 1 zone	3.05	3.60	18.03%	3.60	18.03%
Xpresso 2 zones	4.20	3.60	-14.29%	3.60	-14.29%

### 3.6 Child Fares

The Authority also wishes to rationalise the number of child single fares and has determined that they be reduced from the current 7 fare types to 4 types. There will be the schoolchild fare operational during school terms up to 19:00hrs Monday to Friday and up to 13:30 on Saturday morning. The next fare covers stages 1 to 7. The Authority has decided to merge the over 7 stages fare with the outer suburban 1 and outer suburban 2 fares. The Xpresso fare will be the fourth fare type. As outlined above the Xpresso fare will be slightly dearer than the other fares as it is a premium service. While the cash Xpresso child fare is having a large increase this year it should be remembered that at €1.50 it is still cheaper than it was in 2013 when it was €1.90.

The child single fares as determined by the Authority are set out in the two tables below. Again the Leap fare is at least 20% cheaper than the cash fare.

#### Leap child single fares

Stages	Current Fare	Dublin Bus Proposed Fare	Dublin Bus Proposed % Increase	Approved Fare	Approved % Increase
<b>Child Leap single fares</b>					
Schoolchild	€0.70	€0.75	7.14%	€0.75	7.14%
Stages 1 to 7	€0.95	€1.00	5.26%	€0.90	-5.26%
Over 7 Stages	€1.15	€1.20	4.35%	€1.10	-4.35%
Outer Suburban 1	€1.15	€1.20	4.35%	€1.10	-4.35%
Outer Suburban 2	€2.00	€1.20	-40.00%	€1.10	-45.00%
Xpresso 1 zone	€1.15	€1.50	30.43%	€1.20	4.35%
Xpresso 2 zones	€2.00	€1.50	-25.00%	€1.20	-40.00%

#### Cash child single fares

Stages	Current Fare	Dublin Bus Proposed Fare	Dublin Bus Proposed % Increase	Approved Fare	Approved % Increase
<b>Child Cash single fares</b>					
Schoolchild	€0.90	€0.95	5.56%	€0.95	5.56%
Stages 1 to 7	€1.10	€1.15	4.55%	€1.15	4.55%
Over 7 Stages	€1.30	€1.35	3.85%	€1.40	7.69%
Outer Suburban 1	€1.30	€1.35	3.85%	€1.40	7.69%
Outer Suburban 2	€2.30	€1.35	-41.30%	€1.40	-39.13%
Xpresso 1 zone	€1.30	€1.85	42.31%	€1.50	15.38%
Xpresso 2 zones	€2.30	€1.85	-19.57%	€1.50	-34.78%

### 3.7 Other single Fares

The other single fares operated by Dublin Bus are the city centre fare which is going up by 5 cent Leap and 10 cent cash, for both child and adult. The 90/236 fare is at the same level as the adult 1 to 3 stages and the child 1 to 7 stages fares and this will continue to be the case. The Nitelink cash will increase by 50 cent and the Leap will remain at €5.00. Again there will be a saving of at least 20% when using Leap compared to cash to pay the fare.

The tables below show the fares for the city centre fare, Nitelink and the 90/236 fare as determined by the Authority with effect 1st December 2014.

Stages	Current Fare	Dublin Bus Proposed Fare	Dublin Bus Proposed % Increase	Approved Fare	Approved % Increase
<b>Adult Leap single fares</b>					
City Centre Fare	€0.55	€0.60	9.09%	€0.60	9.09%
Nitelink Fare	€5.00	€5.00	0.00%	€5.00	0.00%
Route 90/236	€1.45	€1.50	3.45%	€1.50	3.45%
<b>Adult Cash single fares</b>					
City Centre Fare	€0.70	€0.75	7.14%	€0.75	7.14%
Nitelink Fare	€6.00	€6.00	0.00%	€6.50	8.33%
Route 90/236	€1.80	€1.90	5.56%	€1.95	8.33%

Stages	Current Fare	Dublin Bus Proposed Fare	Dublin Bus Proposed % Increase	Approved Fare	Approved % Increase
<b>Child Leap single fares</b>					
City Centre Fare	€0.55	€0.60	9.09%	€0.60	9.09%
Route 90/236	€0.95	€1.00	5.26%	€0.90	-5.26%
<b>Child Cash single fares</b>					
City Centre Fare	€0.70	€0.75	7.14%	€0.75	7.14%
Route 90/236	€1.10	€1.15	4.55%	€1.15	4.55%

As mentioned above since the Leap card was introduced in 2012 the Leap fare has always been cheaper than the equivalent cash fare. This year the Authority has determined that the Leap single

fare on Dublin Bus will be at least 20% cheaper than the equivalent cash fare. The table below shows the savings to be made when using Leap to pay for your travel.

Type and stages	New approved cash fare	New approved Leap fare	Saving with Leap	% saving with Leap
<b>Adult 1-3</b>	€1.95	€1.50	€0.45	23%
<b>Adult 4-7</b>	€2.55	€2.05	€0.50	20%
<b>Adult 7-13</b>	€2.80	€2.05	€0.75	27%
<b>Adult Over 13</b>	€3.30	€2.60	€0.70	21%
<b>Adult suburban</b>	€3.30	€2.60	€0.70	21%
<b>Adult Xpresso</b>	€3.60	€2.85	€0.75	21%
<b>Schoolchild</b>	€0.95	€0.75	€0.20	21%
<b>Child 1-7</b>	€1.15	€0.90	€0.25	22%
<b>Child Over 7</b>	€1.40	€1.10	€0.30	21%
<b>Child suburban</b>	€1.40	€1.10	€0.30	21%
<b>Child Xpresso</b>	€1.50	€1.20	€0.30	20%
<b>City centre fare</b>	€0.75	€0.60	€0.15	20%
<b>Nitelink</b>	€6.50	€5.00	€1.50	23%

### 3.8 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.

Fare capping currently includes all Leap single fares except the higher cost special Dublin Bus services, i.e. Nitelink, Xpresso Zone 2 and the Outer Suburban Zone 2 fares, where a contribution

of €2.50 from each fare is allocated to the cap for adults and students and €1.15 is allocated to the Child cap for those services.

With the merging of the fares as outlined above the Authority has determined that the cap should now include all Xpresso fares and as Outer Suburban Zone 2 fares are now merged with 13+ stages fare it will also be included in the caps.

A contribution of €2.50 will be included in the cap from the Nitelink but as at the present Dublin Bus' Airlink, tours, special events and private contract services will not be included in the Leap fares cap.

The Authority has determined that the Dublin Bus daily and weekly cap will remain at current levels despite the inclusion of these additional fares. The multi-operator caps will also remain at the same level as currently applies.

<b>Dublin Bus daily and weekly Leap capping levels from 1 December 2014</b>			
	<b>Adult</b>	<b>Student</b>	<b>Child</b>
BÁC daily cap	€6.90	€5.00	€2.50
BÁC weekly cap	€27.50	€20.00	€8.20

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

### **3.9 Pre-paid Tickets**

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 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 greatly assisted with this policy.

During 2014 the life expired magnetic card readers used by Dublin Bus were decommissioned. As a result a number of magnetic based tickets were withdrawn. A number of these tickets were



transferred to Leap and other tickets were no longer required as daily and weekly capping offered similar value. A number of multi-operator tickets had to be withdrawn also and the multi-operator cap can be used as a replacement for most of these tickets.

These tickets can now be loaded on to a Leap Card:

- 5 Day and 30 Day Rambler Adult tickets
- 1 Day Family Rambler.
- 5 and 30 Day Student Rambler tickets

The following tickets are no longer available to purchase and customers should avail of capping or second journey discount when introduced in November 2014:

- Adult 1, 3 and 7 Day Bus/Rail
- Family 1 Day Bus/Rail
- Adult 1, 7 and 30 Day Bus/Luas
- Student 7 and 30 Day Bus/Luas
- Child 1 and 7 Day Bus/Luas
- 1 Day Rambler Adult
- 10 Journey Travel 90 Schoolchild
- 3 Day Rambler Adult
- 5 Day Rambler Child
- Travel 90 – Scholar 10 journey

The remaining prepaid tickets as outlined below offer a large discount on the cash and Leap fares and it was felt appropriate to approve the increases as outlined below. It should be noted that depending on one's travel it may be more advantageous to use Leap than a rambler ticket. This is especially true if using rambler tickets for suburban 2 and Xpresso 2 journeys. As the cost of these two fares have reduced by 25% and 18% respectively when using Leap the rambler ticket will be more expensive in some instances. The fares as determined by the Authority are set out in the table below.

<b>Ticket Description</b>	<b>Current Ticket Price</b>	<b>Dublin Bus Proposed Ticket Price</b>	<b>Dublin Bus Proposed % Increase</b>	<b>Approved Ticket Price</b>	<b>Approved % Increase</b>
	€	€		€	
1-Day Family Rambler	12.65	13.50	6.72%	13.50	6.72%
Rambler 5 Day Adult	27.50	29.50	7.27%	29.50	7.27%
Rambler 30 Day Adult	137.50	147.50	7.27%	147.50	7.27%
Rambler 5 Day Student	20.00	21.50	7.50%	21.50	7.50%
Rambler 30 Day Student	100.00	107.50	7.50%	107.50	7.50%
Travel 90 - Adult - 10 Journey	27.50	29.50	7.27%	29.50	7.27%
Travel 90 Single	2.90	3.20	10.34%	3.10	6.68%
Trainee Leap card. 1 Week	46.50	50.00	7.53%	2015 prices to be advised, see text below.	
Trainee Leap card. 2 Weeks	70.00	75.00	7.14%		
Trainee Leap card. 3 Weeks	94.00	100.00	6.38%		
Trainee Leap card. 4 Weeks	118.00	125.00	5.93%		

As outlined above The Authority is 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 adult, €1.00 student, €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. Currently the Travel 90 tickets offer a similar type feature where a passenger may use the ticket for 90 minutes to allow them take a second bus journey. With the introduction of the second journey discount this will give a discount of up to €1.00 on the second journey and therefore the travel 90 10 journey tickets will be withdrawn in the first quarter of 2015.

The trainee Leap card is a prepaid Leap card for those in short term training such as English language students who only require a Leap card for a very short time. This card is currently under review with a view that the various 1 to 54 week variants meet the needs of users and the 2015 fares will be advised later this year following the review.

### 3.10 Summary

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

Headline changes:

- All single journey fares are at least 20% cheaper if paying by Leap card compared to paying by cash.
- The adult Leap fares for 4 to 7 stages and 8 to 13 are merged at €2.05.
- Different cash fares will remain for cash 4 to 7 stages (€2.55) and 8 to 13 stages (€2.80) paying by cash.
- The adult fares for 13+ stages, outer suburban 1 and outer suburban 2 have been merged and the fare is €2.60 Leap or €3.30 cash.
- The premium Xpresso 1 zone and Xpresso 2 zones fares have also been merged and the single Xpresso fare is now €2.85 Leap and €3.60 cash.
- All suburban and Xpresso fares included in the weekly and daily caps.