



National Fares Strategy

January 2023



NATIONAL FARES STRATEGY SUMMARY

Introduction

Following the development and implementation of a new and simplified fares structure for Dublin, which combines elements of distance and equitability between routes, the National Transport Authority (NTA) in partnership with SYSTRA, have developed an approach for the rest of Ireland that will deliver to both political and commercial aspirations around better value, greater transparency and equality in respect of journey distance. The new approach will apply to fares outside the Dublin metropolitan area for public service obligation (PSO) bus and rail services provided by the National Transport Authority under contracts with bus operators and Iarnród Éireann. It will complement the roll out of significant changes to public transport networks in rural and urban areas, such as Bus Connects and Connecting Ireland.

The evolution of both bus and rail fares over a long period of time has created complexity, discrepancies and anomalies that result in similar journeys having very different prices based on distance, service quality or other historical factors. Some of this has been hidden by the increased use of yield management pricing for advance purchase tickets on intercity rail for example, which offer good value for those able to book in advance and commit to specific journeys. However, there is still a need for simple and understandable fares for those without these purchase options, or whose travel needs may be more immediate or require flexibility.

This needs to be resolved if technology is to be more widely used in how fares and ticketing are retailed and priced. It also forms a basis upon which the application of changes to fares arising from either inflation or other factors can be applied universally across the network in a simple and achievable manner.

Reason for Change

The existing fare structures in operation on Public Service Obligation (PSO) services are not always equitable, consistent or easy to understand for passengers. Key issues include:

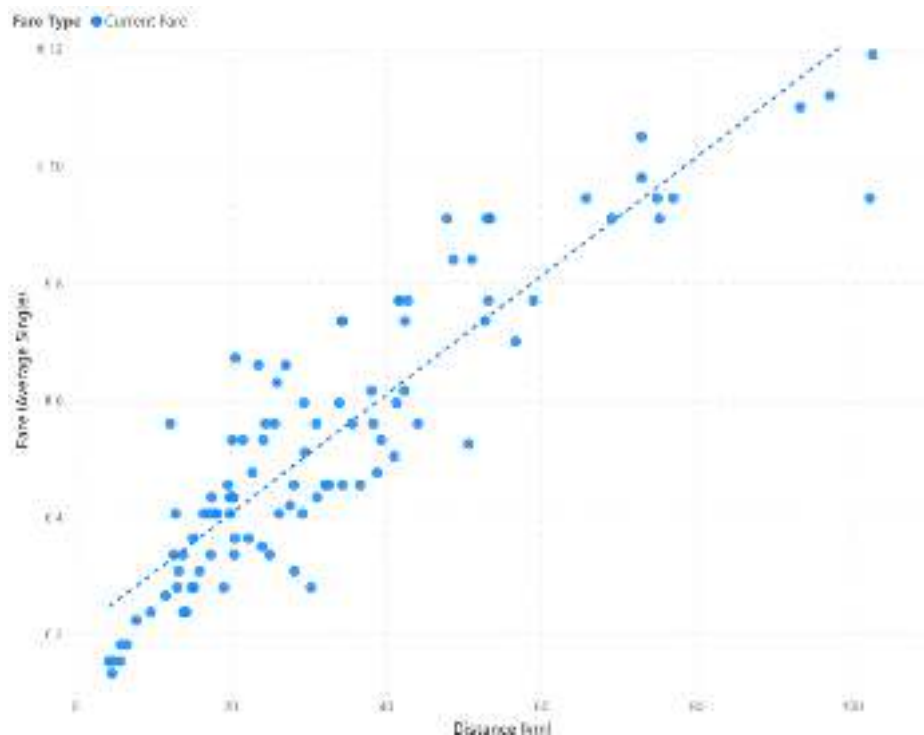
- The fare charged for similar distance trips can vary considerably depending on the journey and location in Ireland;
- Fares are often calculated by route travelled, or corridor used instead of crow fly distance, penalising people who have to take indirect routes to reach their destination.
- There are no obvious rules for how bus fares are generated in many areas. For example, PSO bus fares are frequently lower where alternative commercial bus services are available.
- Intercity Rail fares currently vary by route, which can be difficult for passengers to understand. There are also large variations in fare at the boundary between Intercity and Commuter services.

This lack of understanding and consistency can lead to passenger frustration, particularly where someone feels they are being overcharged for their journey.

To understand the scale of the current inconsistencies in fares, data was collected for a representative sample of origin-destination pairs on bus and rail across Ireland. Figure 1 plots the current average single fare on bus versus the distance of the journey, with specific examples outlined in Table 1 and 2.

It is clear from the chart that there is a large variation in fare paid. In some instances, passengers are paying a lower fare to travel a considerably longer distance. In other cases, passengers can be paying up to double the price for the same distance travelled.

Figure 1. Current bus fares vs distance



Examples

Table 1. Current Rail Fares Example

Journey	Fare	Crow Fly Distance	Annual Demand
Dublin Heuston – Athenry	€15.91 (€0.10/km)	164km	22,726
Dublin Heuston – Limerick Junction	€27.94 (€0.18/km)	159km	16,420

Table 2. Current Bus Fares Example

Journey	Fare	Crow Fly Distance	Annual Demand
Newtownmountkennedy - Dublin	€2.80 (€0.09/km)	30km	32,925
Fermoy - Cork	€5.95 (€0.20/km)	29 km	56,208

The above examples help illustrate the issues present in the current fare structure. The journeys shown are similar in distance, however there is a large discrepancy between the fares charged. This demonstrates some of the inconsistencies which the NTA would like to address with the implementation of a new fares structure, making the gap between these fares for example, much smaller, if not eliminated completely.

Fare Structure Objectives

In order to resolve these issues, the NTA have developed a National Fare Strategy for Ireland with the following key objectives:

- **Equitable** - the cost of travel shouldn't vary unduly depending on the route taken, or location in the country
- **Consistent** – the cost per km travelled shouldn't vary unduly, and should be related to straight line distance between the origin and destination of the journey, rather than the route taken
- **Easy to understand** – related to consistency, customers should be able to understand the fare they are being charged and how it relates to the journey they are making

This, in principle would not only alleviate worries about the discrepancies in fares, it could also encourage existing passengers and new users to use public transport more, by implementing a fairer and easier to understand structure.

Best Practice Review

A best practice review was undertaken to understand how other fares and ticketing schemes across the world deliver a simple and effective customer proposition based over wide geographical area and what lesson can be learnt from these that might be relevant in an Irish context.

This included case study research of fare structures in operation in Australia, The Netherlands, Denmark, Scotland and Wales. Areas were chosen with similar geographical or infrastructural conditions to Ireland, with a range of structures employed from zonal systems to fully distance based fares.

Based on this research, and examination of a number possible national fare structures, a broadly distance based approach similar to the Dutch system was identified as the optimal solution for Ireland in achieving the study objectives.

Proposed Fare Structure

National Fare Structure

The new National Fare Structure will include a combination of a boarding charge plus an incremental fare based on the distance of the journey:

$$\text{Fare} = \text{Boarding Charge} + \text{Distance Based Fare}$$

What is a Boarding Charge?

The boarding charge represents a fixed fee which is applied to your journey regardless of the distance. It is a common element in fare structures across the world and allows for flexibility in ticket pricing and variation by service or mode if required. It represents the cost elements such as labour and vehicles which are not variable.

Other transport modes take a similar approach, such as taxis, where a flat fare is charged once you get in and then the fare increases based on the distance travelled.

What is a Distance Based Fare?

In addition to the fixed boarding charge, an incremental fare will be applied based on the distance travelled. This could be represented as a standard fare per kilometre, or graduated into distance bands for ease of implementation in the existing ticketing environment (for example, a fare per 10km travelled).

The calculated distance for the journey will be based on the straight line distance (or 'as the crow flies') between origin and destination stops/stations regardless of the route taken.

What does this mean for me?

For journeys by rail or by bus under the new National Fare Structure, you may be charged a different fare compared with what you're currently paying. This fare will be calculated depending on how far you're travelling, but this is 'as the crow flies', so you won't be punished if your train or bus takes a longer route to get to your destination. As the fare is also based on distance travelled, you will be charged a comparable fare to other journeys of a similar distance across the network. It will also allow us to look at how we can better price journeys that require interchange.

Whilst a significant amount of analysis has been undertaken to assess an appropriate National Fare Structure, no decision has been made on the level of the boarding charge or incremental distance based fare. These will be evaluated and confirmed as part of the wider fare determination undertaken by the NTA later in 2023.

The migration of current fares to the National Fare Structure is likely to be take place over a number of years, and will depend in part on upgrades to existing ticketing equipment and the procurement of next generation ticketing equipment, currently underway.

The Authority hopes to implement revised fare structures in the Dublin Commuter area as a priority.

Dublin Commuter Fare Structure

The standard National Fare Structure will apply to all trips across Ireland outside of the cities and main towns. In order to reduce fare inconsistencies when transitioning to city fares, a variant of the National Fare Structure will be applied for identified commuter areas.

Initially, this has been developed for the Dublin commuter area given the implementation of the new fare structure along with the roll-out of the new BusConnects network in Dublin. Work is currently ongoing to develop similar approaches for other cities and key towns.

Two zones of travel, illustrated in Figure 2 have been identified in Dublin, namely:

- A **Dublin City Zone** which extends to approximately 23km from Dublin city centre. This zone includes the recent simplification of the Dublin fare structure, with the implementation of the 'Short' and '90 minute' fares.
- An outer **Dublin Commuter Zone** extending from the edge of the City Zone to approximately 50km from Dublin city centre. This area was selected based on a review of future public transport network proposals (e.g. the implementation of DART+) along with analysis of ticket sales information to determine the commuter travel catchment area.

Dublin City Zone – What does this mean for me?

For travel within the 'Dublin City Zone', the fare charged will depend on the operator/service used:

Dublin City Bus (Dublin Bus and Go-Ahead Dublin), Luas and Irish Rail

For passengers on Dublin City Bus, Luas and Irish Rail, the existing Dublin fare structure will apply. This includes:

- **90 Minute Fare:** a €2 Leap fare currently applies to bus, rail and Luas journeys (including transfers) made within 90 minutes from first to last tap-on, that stay within the zone.

Figure 2. Map of Dublin Commuter Zone with Stations/Stops



- **Short single leg journeys:** a €1.30 Leap fare applies
- **TFI/Dublin Bus "Xpresso" fares:** a higher 90 minute Leap fare of €2.40 applies reflective of the express nature of the service

Bus Éireann and Go-Ahead Ireland Commuter Services

For people in the Dublin City Zone accessing the city centre on commuter bus services, a flat fare equivalent to the TFI/Dublin Bus 'Xpresso' fare will be applied. This is to reflect the express nature of the services with limited stops along the route.

Dublin Commuter Zone – What does this mean for me?

For travel from the ‘Dublin Commuter Zone’ into the ‘Dublin City Zone’ (or vice-versa) the **lower** of the following fares will apply:

- 1 The National Fare Structure i.e. boarding charge plus an incremental fare based on the straight-line distance between the start and end stop of your journey; or
- 2 The flat ‘Xpresso’ Dublin City fare plus an incremental fare based on the straight-line distance between the start of your journey and the ‘Dublin City Zone’ boundary.

This will ensure that the cheapest fare is made available for passengers and will help alleviate boundary issues between the national and city fare structures.

For short distance trips crossing the ‘Dublin City Zone’ boundary (e.g. Greystones to Bray), passengers will get the benefit of the National Fare Structure and the associated lower fare reflective of the short distance travelled.

However, for longer distance journeys (e.g. Newbridge to O’Connell Street), passengers will benefit from the flat fare element within the city facilitating longer distances of travel at a cheaper fare.

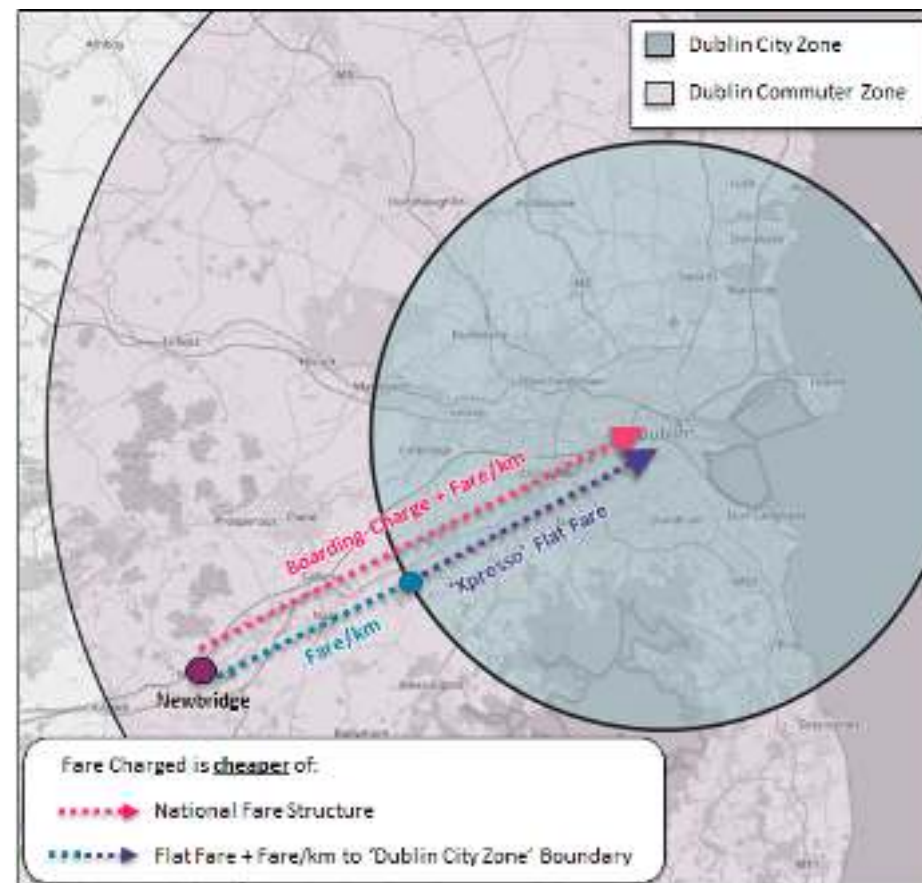
For journeys entirely within the ‘Dublin Commuter Zone’, the standard National Fare Structure will apply.

Benefits of the National Fares Structure

The implementation of the proposed fares structure is intended to bring many benefits, including:

- Fairer structure with consistency for journeys of a similar distance;
- Significantly reduce the variability in fares charged and anomalies across the network;
- Clear structure that is easy to understand and allows passengers to work out their fare;
- Simplified fare structure for implementing fare determinations and changes;
- Significantly reduces existing boundary issues between national and commuter fare structures; and
- Flexible fare structure which can be tweaked to support a growing public transport network and demand, or adjusted to reflect changes in wider policy.

Figure 3. Newbridge to O’Connell St. Fare Example



National Fares Structure – Assumptions & Scope

The Strategy applies to PSO public transport services only: Any extension of an agreed National Fares Structure to cover commercial bus services would need to be by means of a fares scheme and was not considered further as part of this study.

The fares structure is based off the single adult fare: Set multiples of this fare should apply for return fares (if made available), child, student and period tickets. These will be determined at a later date.

The Strategy currently covers regional and intercity fares, and Dublin Commuter area fares: It does not cover regional city or commuter fares or town fares. Fare structures in these areas are currently being examined and recommendations will be made at a later date.

Web-based Intercity Rail fares: In the case of Intercity Rail, Iarnród Éireann seek to maximise fare revenue and passenger numbers via a yield management system that is part of their fares system. For this reason, rail fares under the National Fare Structure should be considered maxima, and may be lower in the case of intercity rail travel, where these fares are booked online in advance. As part of future work, the NTA will examine the range of discounts that would be permitted to be applied for web-based Intercity rail fares.

National Fare Structure Implementation: Given the scale of the changes implied by the Strategy, it is envisaged that the proposals would be implemented over a number of years. Some proposed elements may require Next Generation Ticketing (account based ticketing) before they can be implemented in full, although it is expected that these elements will be limited.

Next Steps

Consultation will be carried with the various transport operators to understand the technical requirements for delivery of the National Fare Strategy, identifying elements which can be delivered in the short, medium and longer term.

It is anticipated that the first phase of implementation will be undertaken in late 2023, following the NTA's Fare Determination due to be published in Q2 2023. It is at this stage that the level of boarding charge and incremental distance based fare will be determined.