

Fare harmonisation of on-demand services

Steffen Bank, Movia

Patrick Turpie, EY Parthenon

Aalborg Trafikdage

25 August 2026



The better the question. The better the answer. The better the world works.



Parthenon

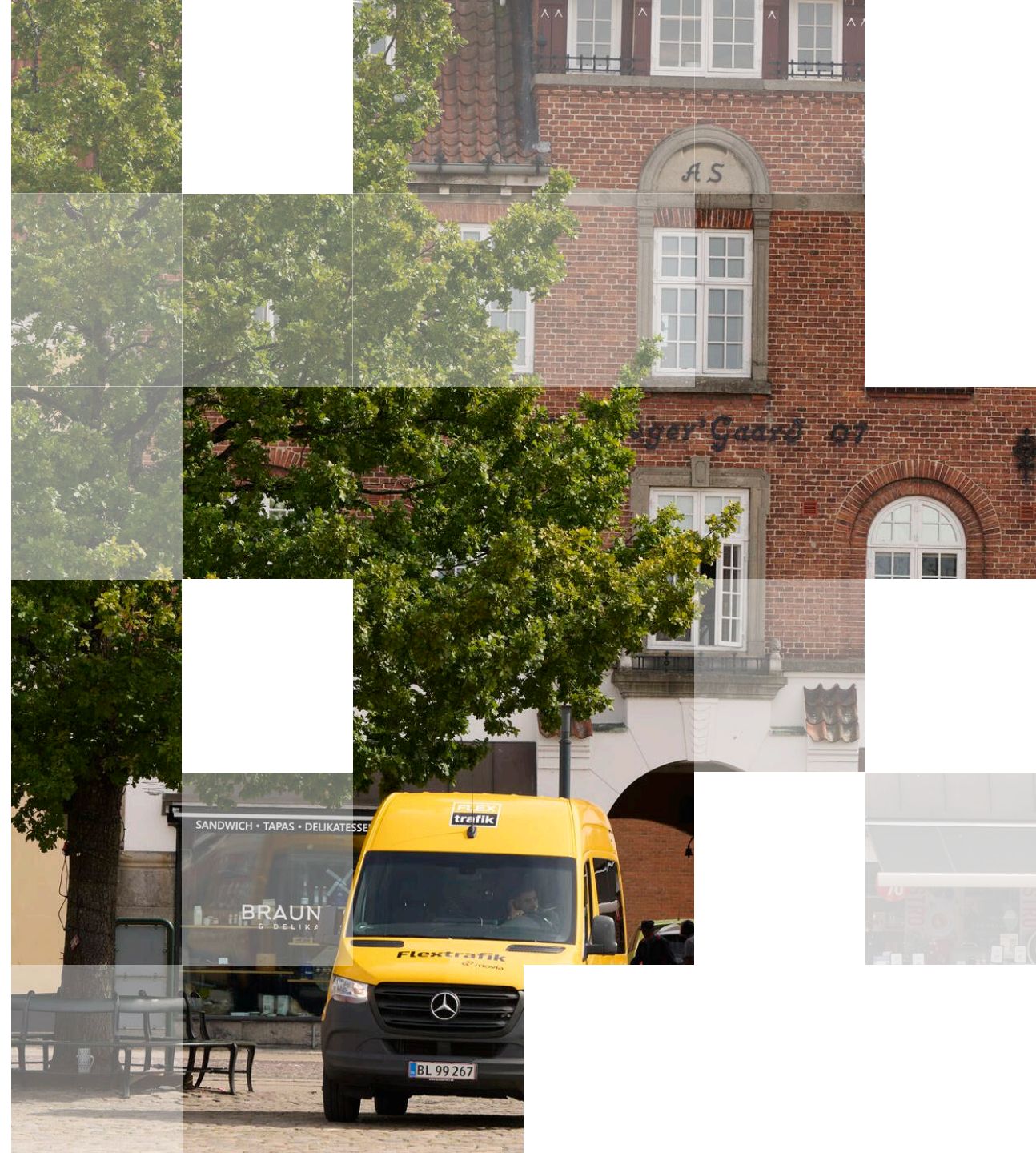
Agenda

1 Clarification of concepts

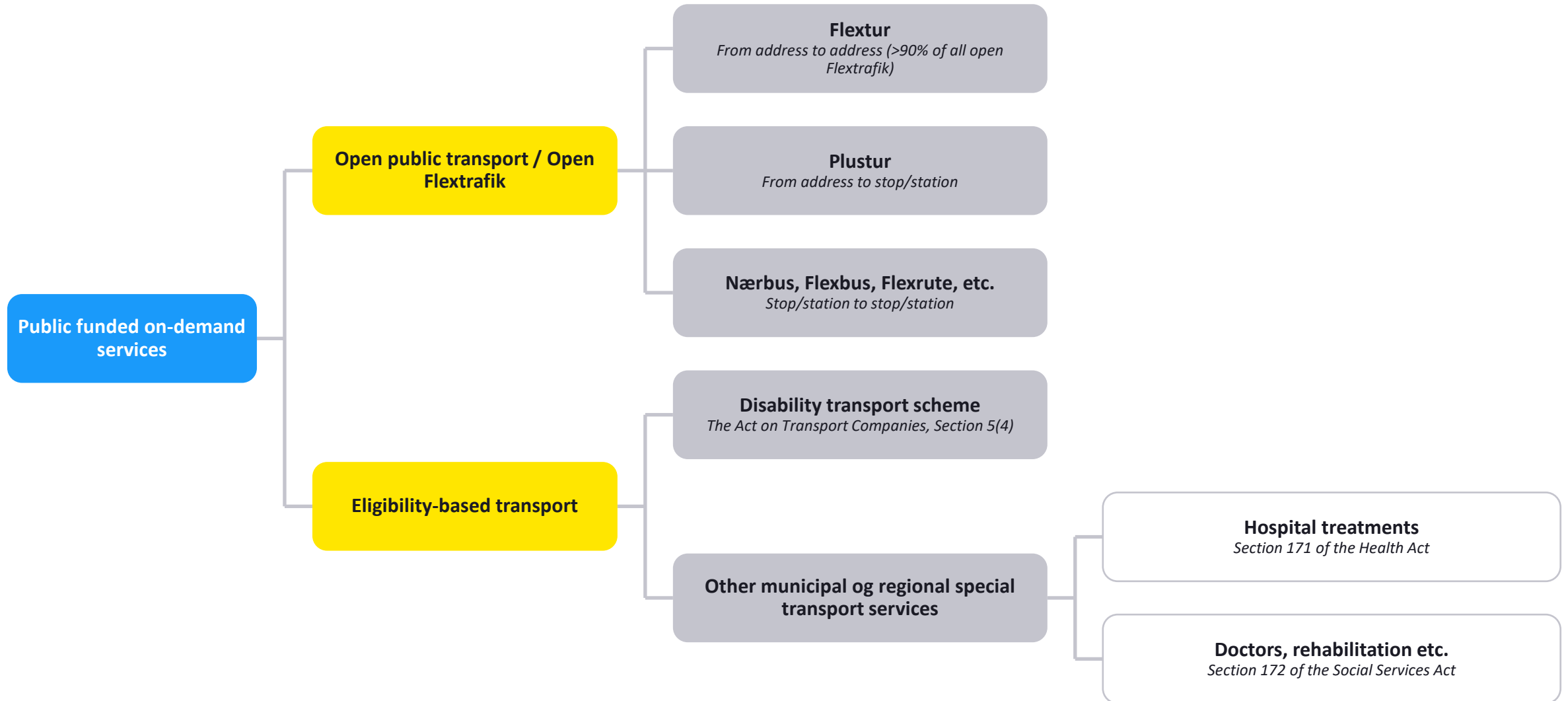
2 Why fare harmonisation?

3 Method

4 Results & perspectives



What is on-demand services in Denmark?



What is fare harmonisation – and why is it a good idea?

Fare harmonization is the standardisation of on-demand services and in route-based public transport. It will ensure that the customer pays the same price – regardless of the mode of transport.

On-demand services fares are higher, which hurts especially the rural areas

Today, there are several different fares. Commuter Pass, Pensioner Card and Youth Card only apply to zone fares.

All forms of mobility will be gathered in the upcoming MaaS app – but will each have its own fare.

Ekspertudvalget for kollektiv mobilitet i hele Danmark

recommends: *'A logical and transparent link between the prices of the new flexible transport solutions and the fare system in scheduled public transport is ensured...'*

The expert committee has not calculated the model.

Flextur price scheme (standard ticket, adult), 2024

Transport Agency	Starting price	Price per km	Exceptions
Movia	DKK 30–75 within one municipality DKK 45 across municipalities Always incl. the first 10 km.	DKK 8 within one municipality and for trips across municipalities under 20 km. DKK 15 across municipalities if the trip is longer than 20 km.	Prices in city zones may be higher
Fynbus	Varies by municipality	DKK 5–8	
Nordjyllands Trafikselskab	DKK 60–145	DKK 7–14	
Midttrafik	DKK 38	DKK 7	Prices in city zones may be higher
Sydtrafik	DKK 50	DKK 6.75 (DKK 5 in Billund)	

*Note: The individual transport companies have different fare arrangements for flextur that are not shown in the overview, for example discounts for online booking or half price for children.
Source: The transport companies.*



Framing

In collaboration with EY, the transport agencies have prepared calculations for the change in the need for subsidies to municipalities through a harmonisation between the fares in the open Flextrafik and the route-bound system (the zone system)

Grant requirement annually for all transport authorities for open Flextrafik: DKK 100 million annually – buses around DKK 5 billion.

Movia: 153 millioner passengers in buses and 300,000 in the open Flextrafik

Method and prerequisites

Method – calculating the zone-based price of a trip

- In Movia's area, all journeys are linked to zones.
- West of the Great Belt, the average travel length is used to find the zone price.



Method and prerequisites

Method – calculating the zone-based price of a trip

- In Movia's area, all journeys are linked to zones.
- West of the Great Belt, the average travel length is used to find the zone price.

Terms

The **revenue from passengers** is the sum of passenger payments.

The **gross cost** is the transport agencies' expenses.

The **need for subsidies** is the difference between this and the revenue from passengers.



Method and prerequisites

Method – calculating the zone-based price of a trip

- In Movia's area, all journeys are linked to zones.
- West of the Great Belt, the average travel length is used to find the zone price.

Price sensitivity

Short term elasticity: -0.4

Long term elasticity: -0.8

- A 10% drop in price results in 4% more passengers in the short term; 8% more passengers in the long term

Additional trips can either be new or transferred from other modes, including busses.

Terms

The **revenue from passengers** is the sum of passenger payments.

The **gross cost** is the transport agencies' expenses.

The **need for subsidies** is the difference between this and the revenue from passengers.



Method and prerequisites

Method – calculating the zone-based price of a trip

- In Movia's area, all journeys are linked to zones.
- West of the Great Belt, the average travel length is used to find the zone price.

Price sensitivity

Short term elasticity: -0.4

Long term elasticity: -0.8

- A 10% drop in price results in 4% more passengers in the short term; 8% more passengers in the long term

Additional trips can either be new or transferred from other modes, including busses.

Terms

The **revenue from passengers** is the sum of passenger payments.

The **gross cost** is the transport agencies' expenses.

The **need for subsidies** is the difference between this and the revenue from passengers.

Assumptions

- Loss of revenue for the route network is recognised.
- The route network is retained.
- The gross cost per passenger km. is the same as today, whatever the number of trips.



We have calculated two models

Model 1

- Zone fare as in buses and trains
- Booking, e.g. via Rejseplanen
- New price for trips under 25 km.

Model 2

- Zone fare as in buses and trains
- Booking, e.g. via Rejseplanen
- New price for trips under 25 km.
- **Fixed fee of DKK 20 per trip**

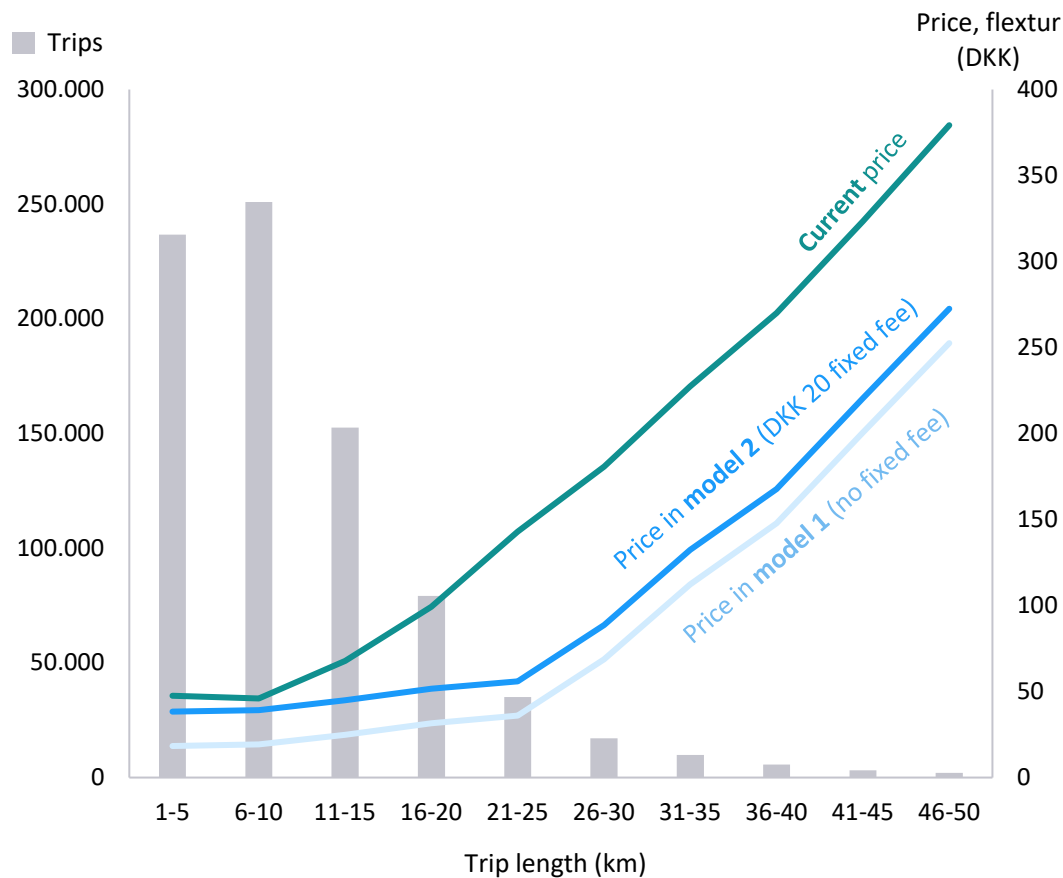
The impact of the DKK 20 fee on the new price

From 10-25 km., the fee is a small part of the price of the trip.

The fee makes up a large part of the price of short trips, where the difference between the current price and a harmonisation is small.

A trip of 25 km. falls in price from DKK 143 to DKK 56 in model 2.

Number of trips and price on flextur (all transport agencies)



In model 2, reimbursement needs increase by 37% in the short term and 65% in the long term

Short term

Short term	Average trip price in Flextrafik	Passenger km.	Revenue	Gross costs	Need for grants
Today	DKK 67	9 million	DKK 60 million	DKK 159 million	DKK 99 million
With new prices	DKK 47	11 million	DKK 47 million.	DKK 172 million	DKK 136 million
Change	DKK -20	+2 million	DKK -13 million	+DKK 23 million	+DKK 37 million
Change, %	-31 %	+17 %	-22 %	+15 %	+37 %

Long term

Long term	Average trip price in Flextrafik	Passenger km.	Revenue	Gross costs	Need for grants
Today	DKK 67	9 million	DKK 60 million	DKK 159 million	DKK 99 million
With new prices	DKK 47	13 million	DKK 54 million	DKK 217 million	DKK 163 million
Change	DKK -20	+4 million	DKK -6 million	+DKK 58 million	+DKK 64 million
Change, %	-31 %	+41 %	-10 %	+37 %	+65 %

Conclusion and perspectives

If the open Flextrafik is harmonised with the route-based public transport traffic, the subsidy requirement will increase annually by DKK 64 million (model 2).

Open Flextrafik is a small but important part of public transport – especially in rural areas.

DKK 64 million is significant at the municipal level, but modest at a nation level to the government

Why should users pay more because the service offered does not have a timetable?

