

# Public Transport Fares Advisory Panel

Meeting 6: 5 September 2022



## Recap of previous meeting

- Cashless public transport
- Future of go card deposits
- Customer confidence research
- Annual fare increase

# Agenda for today

1. Update on developments since last meeting
2. Fares Modernisation Plan overview
3. Cashless public transport: customer insights and a potential way forward
4. Next steps and key messages



# Key Translink updates

Released under RTI - DTMR



# Update on developments since last meeting

- Patronage
- New Translink brand
- Creating Better Connections release
- Smart Ticketing
- Regional Refresh Project
- Customer Growth Strategy

## Patronage

- **527,048 trips** on SEQ network on Tuesday 9 August – peak daily patronage since start of COVID-19.
- Patronage for week ending 14 August 2022 was above **73%** compared to pre-pandemic travel on bus, ferry, light rail and heavy rail combined.
- Goal: **3 million trips** on SEQ network each and every week.



# New Translink brand

**Translink** Queensland Government

Home Plan your journey Service updates Travel with us Tickets and fares About Translink News and media

**Find a journey** Find timetables

Enter a start location

Enter an end location

Today (Wednesday)

Leave after Arrive before 1:50pm

Advanced options Find a journey

Face masks required on public transport in Queensland  
View our [service notice](#) or [COVID-safe travel page](#) for more details.

**Service updates**

Train	Bus	Ferry	Tram
Airport			Normal ✓
Beenleigh			Normal ✓
Caboolture			Normal ✓

**Riverfire 2022**

**Cultural Centre station - platform 2 closure**

**Australia v New Zealand ODI series**

# Creating Better Connections release

Department of Transport and Main Roads

## CREATING BETTER CONNECTIONS FOR QUEENSLANDERS

A 10-year plan  
for Queensland  
passenger transport





# Creating Better Connections release



# Smart Ticketing

Sarah Capstick, Project Director (Strategy and Customer Transition)

Released under RTI - DTMR



# HEAVY RAIL CUSTOMER EXPERIENCE: 2020-2022

NUMBER OF CUSTOMERS SURVEYED

CURRENTLY  
**90K+**



**94%**

CUSTOMERS  
♥ SMART TICKETING

**86K+**

TRIPS ON QR

SINCE JUNE 2022

## TOP COMMENTS



- THIS IS JUST LIKE LONDON, PRETTY COOL!
- LOVE THE COLOUR, THE PINK WRAPPING IS VERY HELPFUL, IT STANDS OUT
- IT'S EASY AND SIMPLE, HOPE IT COVERS MORE STATIONS SOON.
- FIRST TIME TRYING MY SMARTWATCH AND WORKS PERFECTLY!



- NAH, I'M OLD SCHOOL, STICKING WITH MY GO CARD!
- PRETTY GOOD TO USE, I WISH IT WENT ALL THE WAY TO THE AIRPORT.



## FACEBOOK POST ENGAGEMENT RATE

**27%**

SENTIMENT CONSIDERED POSITIVE



**63%**

SENTIMENT CONSIDERED NEUTRAL



LOVE & JOY

ARE THE LEADING EMOTIONAL MARKETS OF CONTENT



SO NICE AND EASY!

ROSEWOOD, IPSWICH & SPRINGFIELD  
**22 AUGUST LAUNCHED**

**90%**  
OF GATES UPGRADED



**1.3M+**  
G-LINK TRIPS

SINCE DECEMBER 2020





# Delivering a better public transport experience for Regional Queensland

Regional Refresh Program Update

Amanda Winslett, Program Director (Regional Refresh Program)



# Regional Refresh Program: Delivering in our regions

---

TMR is committed to improving passenger transport in regional Queensland and has identified opportunities to help deliver on one of our strategic priorities – delivering an easy and accessible passenger transport network.

These opportunities include:

- The introduction of a consistent zonal structure across our 16 regional Queensland networks
- The introduction of standardised fares across regional Queensland on both urban and school services
- Introduction of new products and incentives
- Progressive rollout of modernised Translink brand and customer service model
- The changes will support the future implementation of Smart Ticketing.



# Simpler and consistent fares

---

## Urban network

- Current adult one zone fares vary across regions from \$1.90 and \$3.10, with maximum fares ranging from \$2.60 to \$12.40.
- Current adult zonal increments currently range from \$0.40 to \$1.30.
- Future one zone fares across all regions will be \$2.40 and concession one zone fares across all areas will be \$1.20
- Future zonal increments will be a consistent \$0.60 for adults and \$0.30 for concessions
- These changes will see the majority of regional urban bus trips paying less or the same.

## School network

- Current school transport fares differ across each region, each delivery partner, and each contract type.
- We'll work with delivery partners to introduce consistent zone-based school transport fares in regional areas.
- As part of Regional fare and zone reform we are aligning fares on school services (including STAS top-up fares) with the new concession zonal fare.
- In some regions where school fares have been quite low, it has necessary to transition students to the new fares more slowly over a longer period of time to balance fare equity with cost-of-living impacts for families.

# Regional Refresh Program: Tranche Approach

Fare, Zone, and Brand changes will be implemented over three tranches:

Tranche 1 Go Live: Monday 4 July 2022	
Innisfail	Trans North
Bowen	Bowen Transit
Whitsundays*	Whitsunday Transit
Fraser Coast**	Wide Bay Transit
Sunshine Coast Hinterland	Glasshouse Country Coaches
Warwick	Haidley's Panoramic Coaches



Tranche 2 Go Live: Monday 26 September 2022	
Cairns	Kinetic
Townsville	Kinetic
Gympie	Polleys Coaches
Mackay	Kinetic
Rockhampton	Kinetic
Rockhampton - Yeppoon	CDC

Tranche 3 Go Live: January 2023	
Whitsundays*	Whitsunday Transit
Toowoomba	Bus Queensland
Kilcoy - Caboolture	Christensen's Bus & Coach
Bundaberg - Elliott Heads	Stewart & Sons Coaches
Bundaberg - Elliott Heads	Duffy's City Buses
Gladstone	CDC

\* Whitsunday urban network only. School changes in January 2023.

\*\* Fraser Coast school network only. Urban changes done in Dec 2019.

\* Whitsunday school network only.

In an effort to lessen the disruption to customers, the changes are proposed to occur during school holidays when patronage is lower.

# Regional Refresh Program Update

## Upcoming event for Tranche 2 go-live

### Media and Stakeholder engagement:

- RRP media release to be distributed Friday 2 September.
- Translink website goes live for Tranche 2 areas
- Customer campaign activities to commence Monday 5 September
  - Including: Social media, posters and flyers, radio advertising and Delivery partner channels
- Continued communication to LGAs to provide project update and confirm distribution of communication collateral.
- Queensland Bus Industry Council (QBIC) to be briefed Friday 2 September.



Fare schedule			Fare schedule			New route numbers from Monday 26 September	
Zones travelled	single	adult	Zones travelled	single	concession	Current route #	New route #
1	\$2.40	\$4.80	1	\$1.20	\$2.40	1	761
2	\$3.00	\$6.00	2	\$1.50	\$3.00	2	762
3	\$3.60	\$7.20	3	\$1.80	\$3.60	3	763
4	\$4.20	\$8.40	4	\$2.10	\$4.20	4	764
5	\$4.80	\$9.60	5	\$2.40	\$4.80	5	765
6	\$5.40	\$10.80	6	\$2.70	\$5.40	6	766
7	\$6.00	\$12.00	7	\$3.00	\$6.00	7	767
8	\$6.60	\$13.20	8	\$3.30	\$6.60	8	768
9	\$7.20	\$14.40	9	\$3.60	\$7.20	9	769
10	\$7.80	\$15.60	10	\$3.90	\$7.80	10	770
11	\$8.40	\$16.80	11	\$4.20	\$8.40	50	760

With **qconnect** becoming Translink, you can now access journey planning and public transport information via our website, app and 24/7 contact centre.

For more information about all of these changes visit [translink.com.au/brand](https://translink.com.au/brand) or call us on 13 12 30 anytime.

# Regional Refresh Program – Next steps

---

## Tranche 3

- Continue working with Tranche 3 delivery partners on implementation activities for go-live January 2023.
- Work with key stakeholders including LGAs on planned communication activities for upcoming go-lives.

# Customer Growth Strategy

James Buttenshaw, Director (Customer Insights and Advocacy)

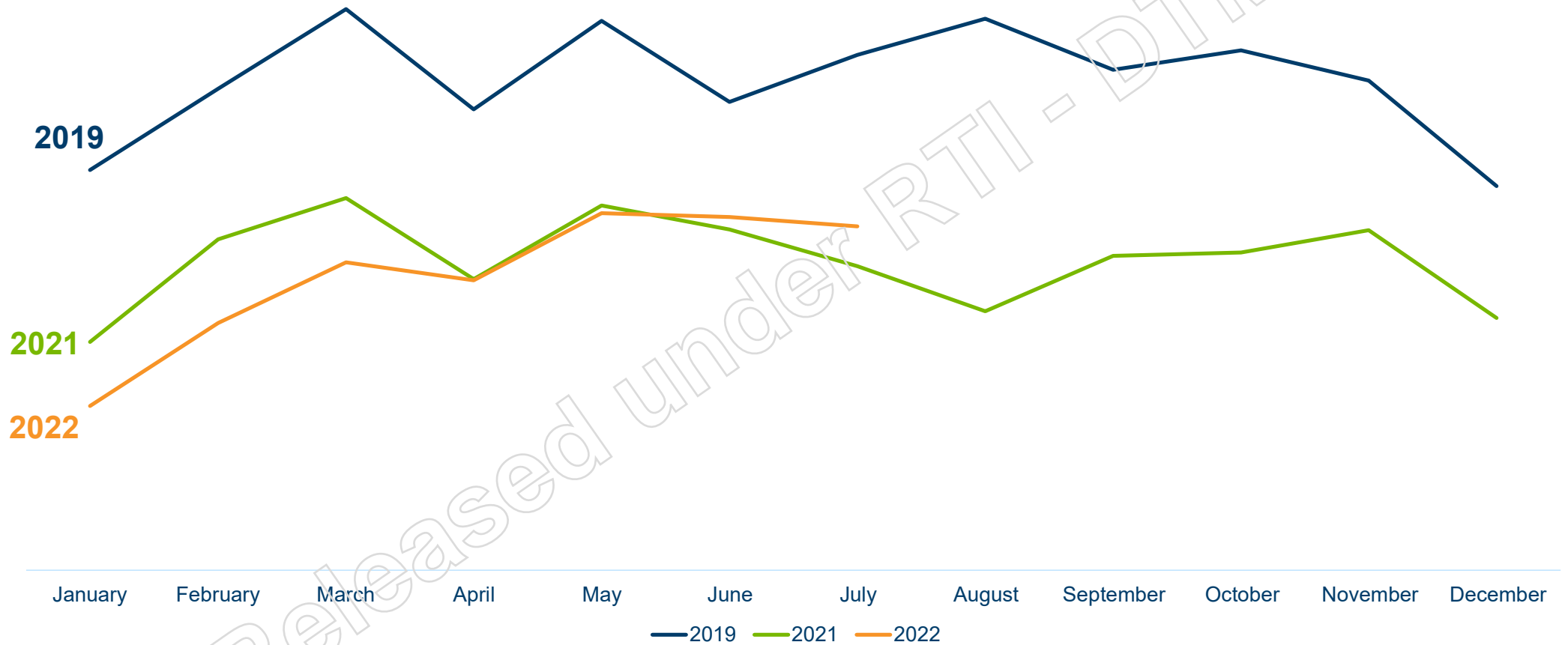
Released under RTI - DTMR



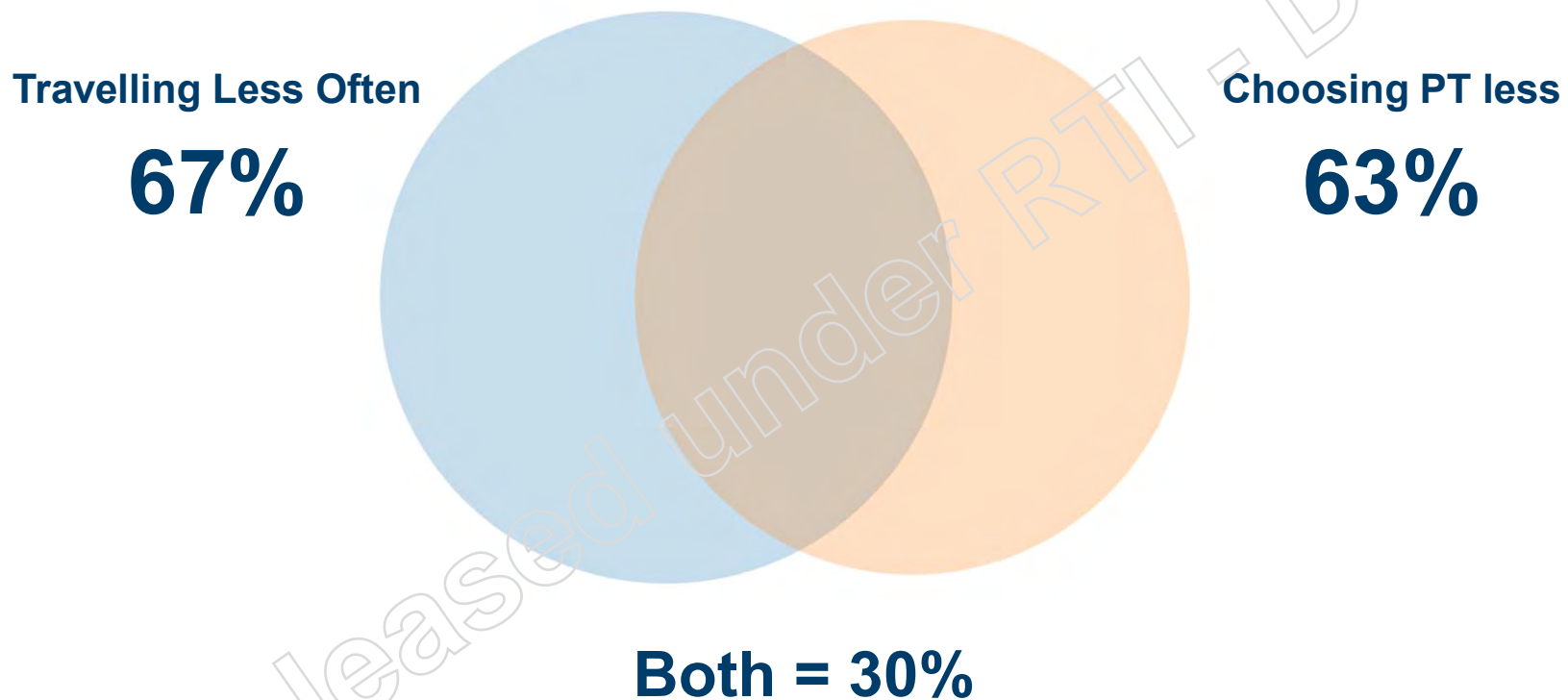


# Patronage remains well down from pre-COVID

SEQ Passenger Journeys



# Reasons for reduced public transport trips



# Three key areas driving reduced patronage



**Structural**



**COVID related**



**Changed value equation**

# Customer Growth Strategy

*Goal:*

**Grow the number of paid customer trips on public transport**

Released under RTI DTMR

Large format OOH - In situ

# The growth strategy is not a marketing campaign

translink

Queensland Government

Released under RTI - DTMR



# Customer Growth Strategy

*Goal:*

**Grow the number of paid customer trips on public transport**

*Strategy:*

- 1. Improve the value equation**
- 2. Trigger changes in behaviour**
- 3. Embed the focus on customer growth**

# Cashless Public Transport: supporting vulnerable customers

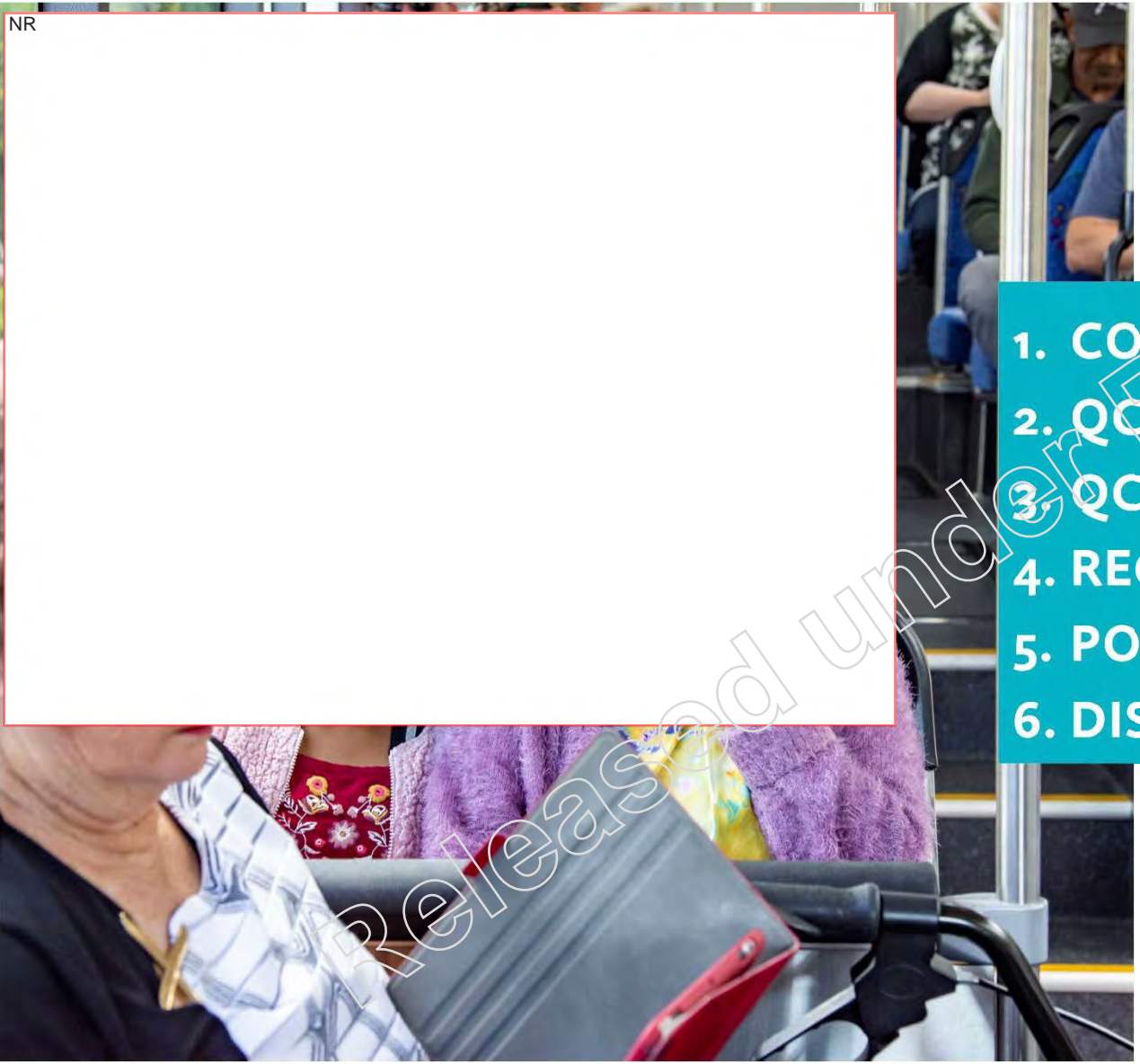
Amanda Tilson, Manager (PT Strategy)

Released under RTI-DTMR

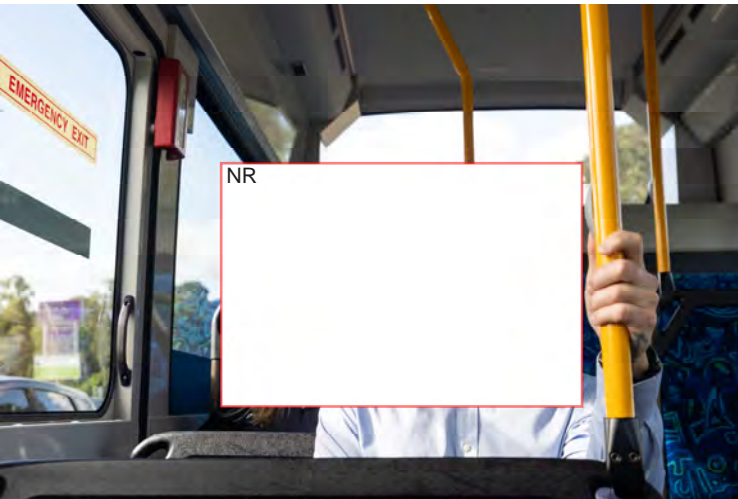


# OVERVIEW

1. CONTEXT
2. QCOSS SURVEY
3. QCOSS FOCUS GROUPS
4. REGIONAL RESEARCH
5. POTENTIAL RESPONSES
6. DISCUSSION



# CONTEXT



## COVID-19

In response, Translink implemented cashless ticketing on-board SEQ urban public transport and at Queensland Rail ticket offices



## QCOSS

Commissioned to undertake a survey and focus groups to better understand the on-the-ground impact and potential support measures



## VULNERABLE CUSTOMERS

Desktop research suggested vulnerable customers rely on cash more (older people, migrants, people with a disability, children)



## SMART TICKETING

Rolling out across SEQ

In preparation for regional roll-out, research is also available on how regional customers use cash

# QCOSS SURVEY

35  
COMMUNITY  
WORKERS

103 CLIENTS

## WHY CASH

Enables budgeting

Some have no or limited access to bank cards

Prefer the 'privacy' & it's their 'right'

## USING GO CARDS IS HARD

One-third don't know where to buy/load

Half said finding a retailer is a barrier

70% support more locations

## GO CARDS DOMINATE

Majority were using go card before pandemic or have started since but...

## CASHLESS MAKES IT HARD TO HELP

QCOSS organisations report that go cards get lost but don't want clients fare evading

Can no longer give clients cash for PT

SEPTEMBER 2022

28



# QCOSS FOCUS GROUPS

**FINDING PARTICIPANTS WHO  
RELIED ONLY ON CASH & DID  
NOT HAVE A GO CARD WAS  
DIFFICULT  
ALMOST ALL HAD GO CARDS**



# QCOSS FOCUS GROUPS



## FIVE FOCUS GROUPS

THROUGH QCOSS MEMBER ORGANISATIONS

MULTICULTURAL  
MENTAL HEALTH  
HOUSING  
YOUTH  
OLDER PEOPLE

### HARD TO FIND RETAILERS

Not sure which retailers can help – inconsistencies exacerbate

### MANAGING GO CARDS IS TRICKY

The process for loading is difficult and hard to understand, both at fare machines and online, due to skill gaps, disabilities, and language barriers

They get lost or left at home

### NEW PRODUCTS WOULD HELP

Pay once for a period of unlimited travel

A product that organisations can purchase and give to clients

# REGIONAL RESEARCH

CAIRNS  
MACKAY  
TOWNSVILLE  
ROCKHAMPTON  
TOOWOOMBA

ABOUT 100  
CUSTOMERS IN EACH  
REGION

## RELIANCE ON CASH

5-9% felt they would be 'very disadvantaged' if they couldn't pay with cash on board

Others conceded they could cope - if they could pay with cash somewhere

## PRE-LOADED CARDS

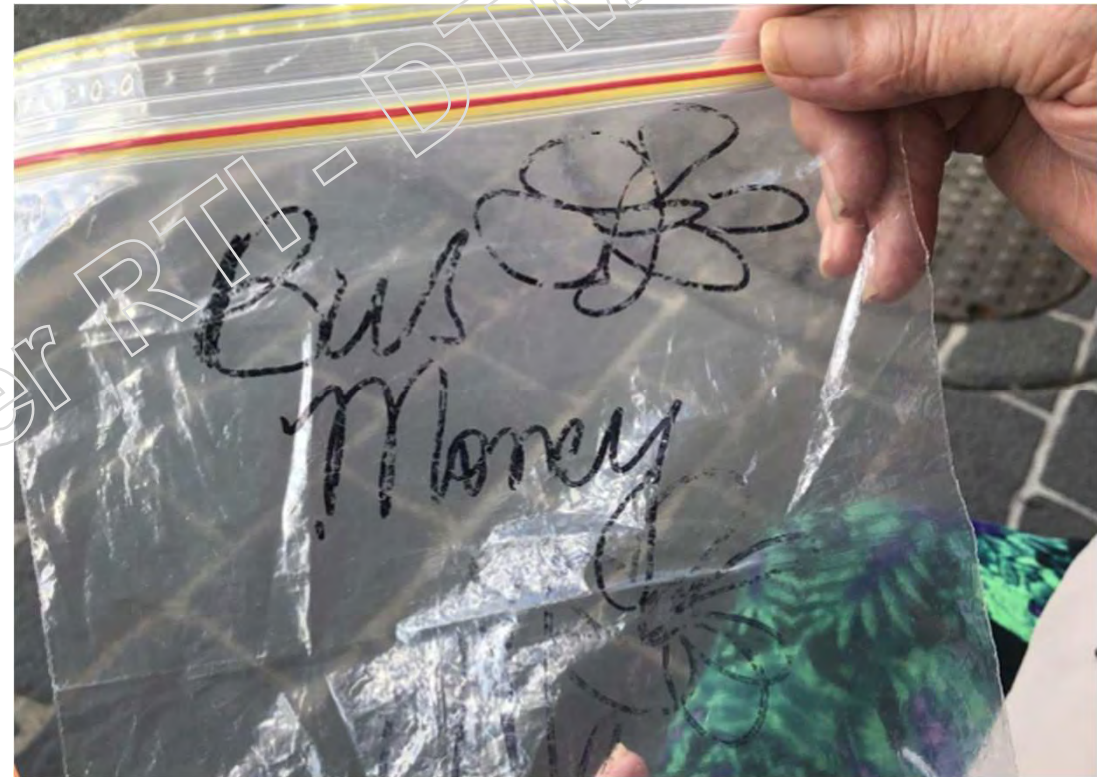
No.1 preference for seniors and other pensioners as they don't need exact amounts or small denominations

'Cash on the bus' was their No.2 preference

## TOPPING UP

Seniors and other pensioners highest preference to top up a travel card is in person

eg at shop



## CONCERNED

Privacy, loss of card, low digital literacy, lack of access to internet

## PLEASED

67% 'other pensioners' like idea of topping up card when they get money, to help budget

SEPTEMBER 2022

31



# POTENTIAL RESPONSES

## MAKING TRAVEL CARDS EASIER

### COMMUNICATION AND EDUCATION

Reviewing information and communication channels to ensure they meet the specific needs of vulnerable groups

Partnering with community organisations as intermediaries

Reviewing procedures/guides (for example, call centre) to ensure help is suited to all

### PRODUCTS

Developing ticketing products that meet specific needs of vulnerable customers

Including a subscription model, and one-off tickets that can be purchased by intermediaries

### RETAIL

Increasing visibility and consistency of participating retailers

Targeting retail capacity to areas with high numbers of vulnerable customers



# DISCUSSION

**DO THESE  
FINDINGS ALIGN  
WITH YOUR  
EXPERIENCES?**

**WHAT ARE  
YOUR VIEWS ON  
THE POTENTIAL  
RESPONSES?**

**WHAT'S  
MISSING?**





**5-minute break**

Released under RTI - DTMR

# Fares Modernisation Plan

Kate Reilly, Director (PT Strategy and Legislation)

Released under RTI - DTMR



# Fares Modernisation Plan



## Opportunity:

With the delivery of a state-wide ticketing system, comes an opportunity to change our fares and incentives to influence customer travel behaviour and enable greater personalisation and simplicity in what we offer. Smart Ticketing will provide us with comprehensive data on our customers across the state and enable a more consistent approach to fares, incentives and ticketing.

## What the Plan will deliver:

It will provide a co-ordinated, state-wide view on fares and ticketing over the next five years and focus on maximising the opportunities a state-wide ticketing system provides.

## Objectives:

1. Enable Smart Ticketing implementation and maximise system capability
2. Ensure fares and products are equitable and respond to customer needs
3. Incentivise growth in customer trips
4. Deliver a sustainable fare revenue stream

### *What role do fares play?*

Fares play an important role in supporting customer growth.

However, patronage is historically more responsive to improved service quality than reduced fares.

Improvements to fares and incentives when coupled with more frequent, reliable and accessible public transport will drive real customer behaviour change.

# Principles for decision making



Decisions on fares ticketing and incentives are complex and require careful consideration of the impacts on customers and the costs to government.

The Plan is underpinned by three key principles to guide decision making and achieve a balanced outcome:

## Simplicity

Fares are streamlined and the range of ticket types and incentives are minimised so customers can easily understand what ticket they need and how much it costs. Implementation does not impose excess technical burden on ticketing operations or service delivery partners.

## Fairness

Fares are affordable for customers and represents value for money. Any differences in approaches between regions is justified. Support is targeted to customers who are most dependent on public transport.

## Financial sustainability

Fares and incentives represent value for money for government with costs able to be sustained over the longer term without impacting service provision. Adverse revenue impacts for service delivery partners should also be minimised.

# Productivity Commission: Public Transport Pricing

- The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians.
- Released a research paper on public transport pricing in December 2021.
- Reviewed jurisdictional pricing approaches; the roles of pricing and the merits of different pricing methods, considered policy impacts from the COVID-19 pandemic, congestion and ticketing technology.
- The Department of Transport and Main Roads participated.





# Key research paper findings

Most jurisdictions use relatively simple and ad hoc approaches to setting fares which do not systematically address either equity or efficiency goals.

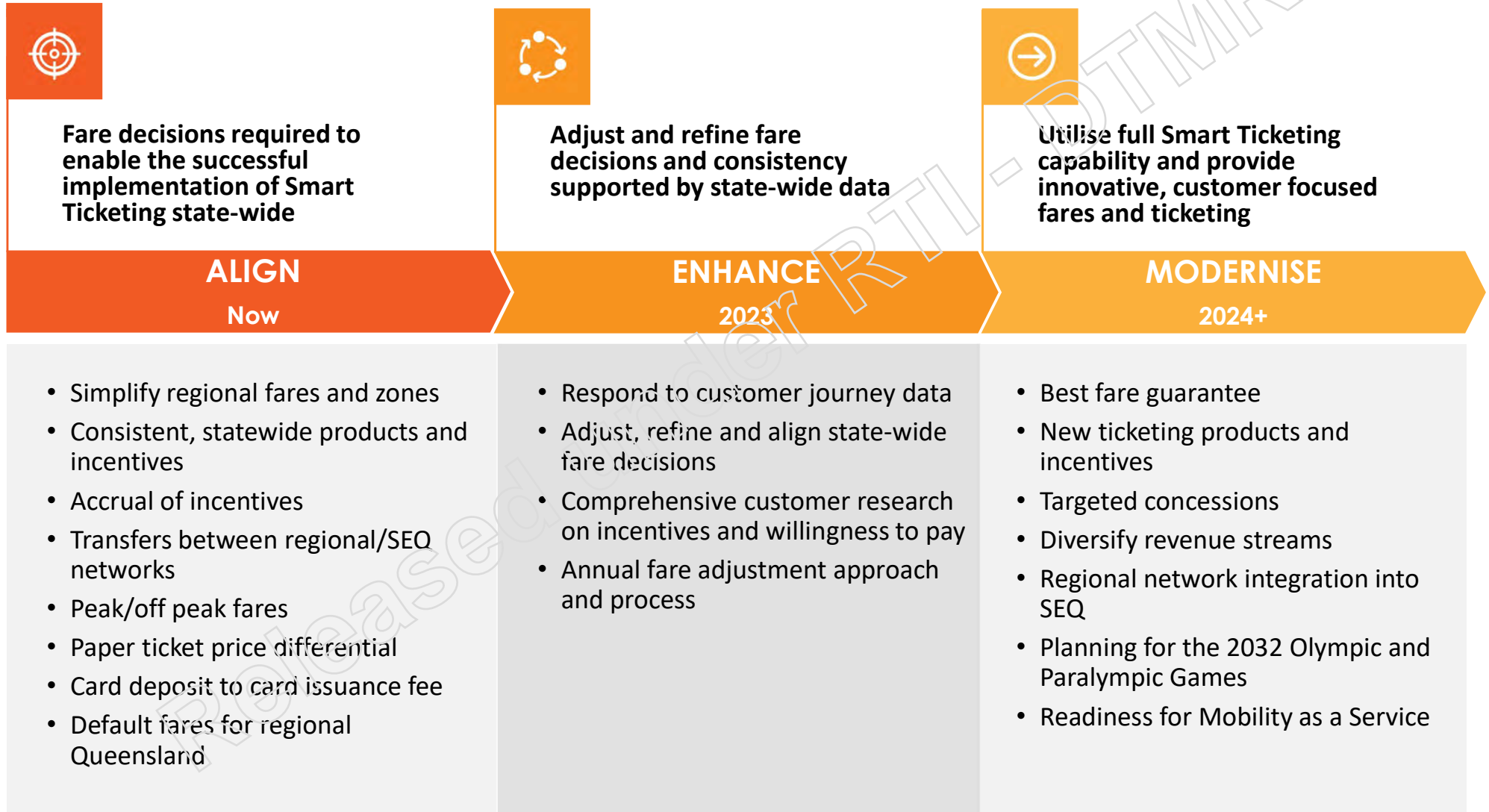
Fare setting should generally recover a sustainable share of costs, recognising that well-structured fares, like peak pricing, may help to do that without undermining the fundamental purpose of public transport – to provide affordable transport.

Governments would benefit from an arrangement similar to that in New South Wales, where the Independent Pricing and Regulatory Tribunal (IPART) provides transparent, rigorously-based pricing advice.

Public transport concession eligibility criteria should be reviewed to better target concessions to those who most need them.

Reducing fares would be an ineffectual way of increasing patronage and reducing congestion because public transport demand is relatively unresponsive to fare decreases.

# Fares Modernisation Plan

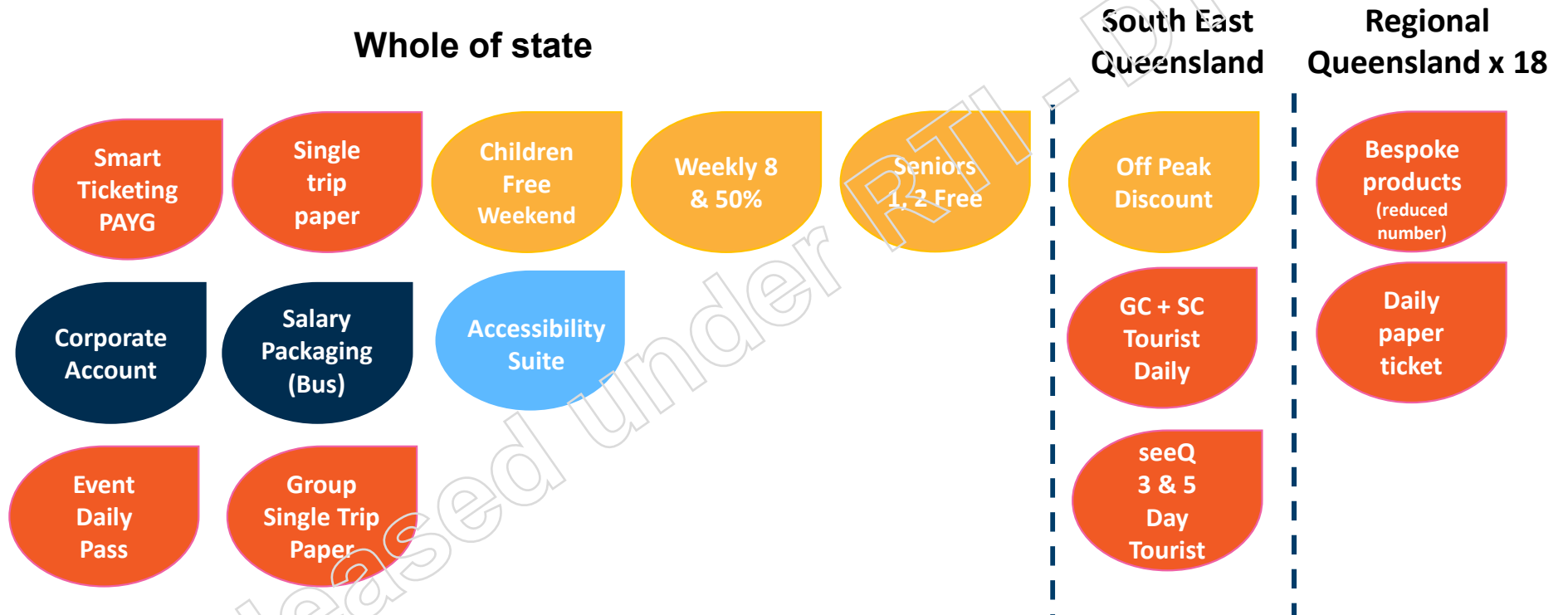


# Reviewing ticketing products and incentives

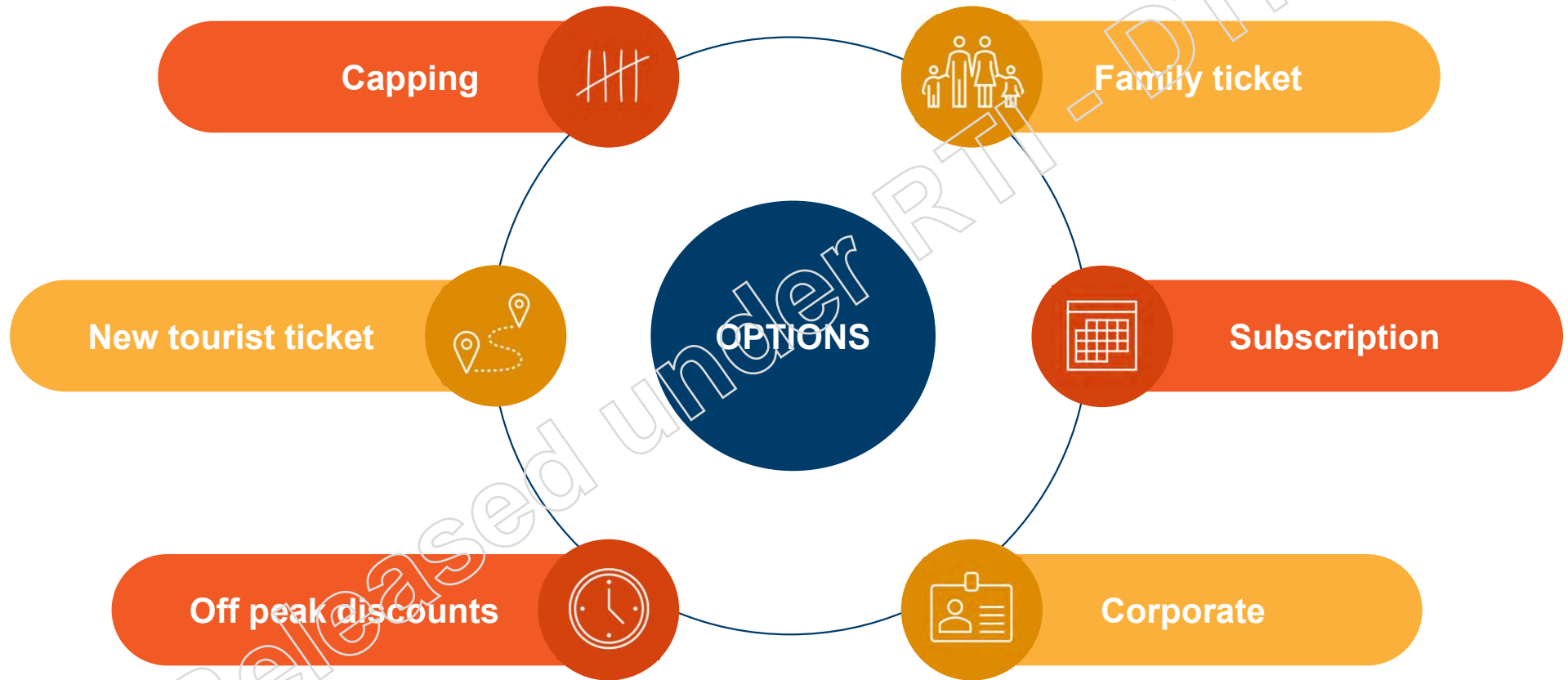


- To enable Smart Ticketing, we have streamlined the regional product suite and extended south east Queensland products and incentives to the regions to increase consistency and encourage electronic ticketing take-up.
- The next phase is to undertake a state-wide review of the current product and incentive offering and investigate new options.
- Comprehensive customer research will be undertaken – we want to know what will encourage customers to use public transport more.
- Options will be modelled so we can understand the customer impact and the cost to government.

# Current incentives and products under Smart Ticketing



# Ticket and incentive options to be investigated





## Panel discussion



- What incentives will encourage more customers to use PT more?
- Are there any other ticket options that need to be considered?

## Key messages, next steps and close

- Panel to agree on key messages from today's meeting to be shared with the Minister's office
- Next meeting: 2023 (date TBC)
- Email the secretariat: [FaresAdvisoryPanel@translink.com.au](mailto:FaresAdvisoryPanel@translink.com.au)

**Thank you!**

# Public Transport Fares Advisory Panel

Meeting 6 Minutes

Date and Time: 1.30pm – 3.30pm, Monday 5 September 2022

Online: Microsoft Teams meeting

## Attendees

### Chair

NR [redacted] Lead Partner (National Infrastructure, Government and Healthcare), KPMG

### Panel members

NR [redacted] Associate Professor, Griffith University

NR [redacted] Special Advisor, Social Policy Group

NR [redacted] Business Owner and Consultant

NR [redacted] Community Engagement Manager, Community Refugee Sponsorship Australia

### Department of Transport and Main Roads (TMR) Guests/Secretariat

Suzanne Rose, Executive Director (Policy and Regional Operations), Translink Division

Kate Reilly, Director (Passenger Transport Strategy and Legislation), Translink Division

Sarah Capstick, Project Director (Strategy and Customer Transition, Smart Ticketing), Translink Division

Amanda Winslett, Program Director (Regional Refresh Program), Translink Division

James Buttenshaw, Director (Customer Insights and Advocacy), Translink Division

Amanda Tilson, Manager (Passenger Transport Strategy), Translink Division

Frederica Elliot, Principal Advisor (Passenger Transport Strategy), Translink Division

### Apologies

NR [redacted] Managing Director, Struber

### 1. Welcome and introductions

NR [redacted] was delayed by approximately 15 minutes finishing a meeting with TMR executives so Kate Reilly welcomed the Panel and outlined the agenda.

### 2. Update on developments since last meeting

- Kate Reilly advised that presentations today would include an update on Smart Ticketing, the Regional Refresh Program and the Customer Growth Strategy.
- Kate provided a brief update on public transport patronage, new Translink branding and release of the final *Creating Better Connections for Queenslanders* passenger transport plan:
  - Regarding patronage, the best day on the South East Queensland (SEQ) network since the start of COVID-19 was on Tuesday, 9 August 2022 and that week was above 73% compared to pre-pandemic travel across the network.

- New TransLink branding went live earlier this year and will be rolled out across Queensland through delivery and infrastructure as part of planned projects and maintenance updates and across marketing and communications collateral.
- The final *Creating Better Connections for Queenslanders: 10-year plan for passenger transport in Queensland* was released on 16 August 2022. There will be ongoing engagement with stakeholders throughout implementation planning. The plan sets out five priorities and 20 key initiatives to ensure a reliable, safe and accessible passenger transport system that is responsive to changing community needs.

### Smart Ticketing

- Sarah Capstick provided an update on Smart Ticketing:
  - The first customer trial went live in December 2020 on Gold Coast light rail, with around 1.4 million trips being taken on light rail using debit and credit cards since that time.
  - Across the heavy rail network, Smart Ticketing is being switched on line by line to minimise strain on the system and make sure it is stable. Smart Ticketing went live on the Ferny Grove line on 6 June 2022 and on the Rosewood, Ipswich and Springfield lines on 22 August 2022, with over 86,000 trips on Queensland Rail using debit and credit card so far.
  - Customer feedback has been positive – 94% of customers Translink has spoken to like Smart Ticketing but we are also learning from what customers don't like about the new system.
  - Infrequent customer use was occurring as well as repeat customer usage – with 31% of customers using debit or credit cards between 3 and 9 times a week.
  - Rollout is still focused on adults, with concession customers to follow in 2023 who will need more support to transition.

### Regional Refresh Program

- Amanda Winslett provided an update on reform activities occurring in regional Queensland:
  - The regional fares and zones proposals were approved by government in late 2021 and are now in the implementation phase. This will include introduction of consistent zonal structure across 16 regional Queensland networks, coupled with standardised fares for urban and some school services. This is being implemented in three tranches starting from July 2022 and will enable the rollout of Smart Ticketing in regional Queensland.
  - Current SEQ products and incentives will also be rolled out state-wide with Smart Ticketing, as well as the modernised Translink brand and customer service model including the journey planner and real time travel information.
  - Translink has been working with key stakeholders across all local areas to understand and manage the local impacts, including to minimise impacts for school students who will pay a higher fare under the changes.

## Customer Growth Strategy

- James Buttenshaw provided an update on the development of Translink's Customer Growth Strategy:
  - Public transport patronage remains down compared to 2019 – the 30% of customers who are both travelling less often and choosing public transport less often is the most challenging group. Many people are driving instead of catching public transport.
  - We have been disrupted by the COVID-19 pandemic but we need to move forward. The goal is to grow the number of paid customer trips on public transport. There are 3 focus areas in our strategy: addressing the value equation so that public transport is a better prospect than driving; improving the day-to-day customer experience; and providing better customer information.
  - The renewed focus on growing patronage does not detract from the important role we play in delivering a vital community service that connects Queenslanders, especially vulnerable customers.

### **Panel discussion:**

- The Panel acknowledged the size and complexity of the Smart Ticketing project, particularly in terms of integration requirements.
- The Panel were pleased to see the policy proposals on regional fares and zones being implemented and noted that negative impacts in relation to school fares are being managed by Translink working closely with service delivery partners. The Panel were pleased to be involved in shaping these proposals and the positive community and customer engagement piece to support implementation.
- The Panel noted the importance of behavioural economics in developing the Customer Growth Strategy to better understand the dimensions of human choice and how to influence behaviour. The Panel were pleased to see a renewed focus on travel behaviour change and revisiting what has worked in the past. The Panel also noted the opportunities to change travel behaviour with the current focus on placemaking, but we must not miss out on those in the outer suburbs and peri-urban fringe.

### **3. Cashless public transport: supporting vulnerable customers**

- Amanda Tilson presented on cashless public transport and supporting vulnerable customers:
  - Translink has partnered with the Queensland Council of Social Service (QCOSS) to understand the on the ground impact of the removal of cash for vulnerable customers. 35 SEQ-based community workers, and over 100 clients of SEQ-based community organisations completed a survey.
  - Responses confirmed why customers use cash, including to enable budgeting, for privacy reasons, and some have limited or no access to bank cards.
  - Most of the participants are now using *go* cards, so focus groups were held to determine why people with *go* cards still preferred to use cash. It was discovered that the upkeep and management of the *go* card was the main issue.
  - There is a need to make travel cards easier for these customers to use. Viable options include better and more tailored communication, partnering with community organisations that they already have a relationship with, improving call centre



assistance and increasing visibility and consistency of participating retailers who manage go card top-ups. We also need to think about our ticketing products and whether they meet customer needs. A subscription-type product that allows unlimited travel for a set weekly or monthly amount may help some customers.

- Customer research has also been undertaken by Smart Ticketing in regional Queensland with similar themes around the barriers that cashless public transport would raise if it was introduced in regional areas.

#### **Panel discussion:**

- The Panel considered that building trust, education and ongoing channels of communication will be key to supporting vulnerable customers during cashless operations. The Panel felt the QCOSS research was promising in confirming that most customers have made the transition to go card, it's now a matter of how we make it easier for customers to access and use non-cash payment options.
- The Panel saw benefits in a place-based approach where people have trust and know their entry points to trusted information. Schools become a real natural asset in terms of getting information home to families, particularly in multicultural communities.
- The Panel noted the absence of a fare machine at Inala Plaza, a key public transport hub with previous high cash use. Information at some stops and stations about how to top-up a go card by smartphone in known languages of the area would also help customers.
- The Panel commented on the challenges of introducing cashless operations in regional areas where a top-up location could be further away than in SEQ.

#### **4. Fares Modernisation Planning**

- Kate Reilly presented on fares modernisation planning:
  - The plan will provide a coordinated state-wide view on fares and ticketing over the next five years. Objectives include enabling and capitalising on Smart Ticketing implementation, ensuring fares and products are equitable and responsive to customer needs, incentivising growth in customer trips, and delivering a sustainable fare revenue stream. The principles for decision making throughout are simplicity, fairness (value for money) and financial sustainability.
  - Kate outlined the findings of the December 2021 Commonwealth Productivity Commission report on public transport pricing and how that may inform the fares modernisation work.
  - The first phase of this work has been completed which is the alignment of regional Queensland fare structures with SEQ to enable Smart Ticketing rollout state-wide.
  - In the second phase we will analyse customer data from Smart Ticketing and conduct customer research to understand customer travel patterns and what products and incentives will be attractive to customers. We will also look at improving the annual fare adjustment process.
  - The third phase is the modernisation phase to implement tailored fare products and incentives, such as capping, subscriptions, and family, tourist and corporate products. We will also consider, from a fares and ticketing perspective, integration of some regional services into SEQ, planning for the 2032 Olympic and Paralympic Games

and readiness for Mobility as a Service. Options will be modelled so we can understand the customer impact and cost to government.

**Panel discussion:**

- The Panel were interested in the findings of the Commonwealth Productivity Commission in relation to public transport pricing, and the fares modernisation plan being developed by Translink.
- The Panel noted they will be consulted on this work, with a focus on future products and incentives able to be offered through Smart Ticketing (including subscriptions and fare capping) to improve the public transport value equation for customers.

**5. Next steps and key messages**

- NR thanked everyone for attending the meeting and noted the next meeting will be scheduled in the first half of 2023 to consider customer research and the annual fare adjustment approach.
- The Panel requested a briefing on the ODIN Pass trial for Mobility as a Service and Gold Coast On Demand Transport trial at the next meeting in the context of integrated fares and ticketing.

**Action 1:** Presentations from the meeting will be circulated for any further feedback from Panel members, noting NR was an apology and NR missed part of the meeting due to technical issues.

**Action 2:** NR on behalf of the Panel, will prepare key meeting messages for the Minister.

©The State of Queensland, Department of Transport and Main Roads

*The contents of this document may not have been approved and do not necessarily accurately reflect the views of the meeting participants or represent the adopted opinion or position of the Department of Transport and Main Roads.*

*The distribution of this document, in whole or part, to individuals or entities for purposes other than internal departmental purposes, is prohibited. Any unauthorised distribution of this document may be a breach of copyright and/or a contravention of the department's Code of Conduct.*

# Public Transport Fares Advisory Panel

Meeting 7: Friday 8 September 2023

Released under RTI - DTMR

# Acknowledgement of Traditional Owners and Elders

I'd like to begin by acknowledging the Traditional Owners of the land where we meet today. I would also like to pay my respects to the Elders both past and present.

I also extend that respect to the Aboriginal and Torres Strait Islander people here today.



# Recap of previous meeting

- Updates on:
  - Smart Ticketing
  - Regional Refresh Project
  - Customer Growth Strategy
- Fares Modernisation Plan overview
- Cashless public transport: customer insights and a potential way forward



# Agenda for today

1. Updates on:
  - Public transport patronage recovery post COVID-19
  - Smart Ticketing customer insights
2. Annual fare adjustment approach
3. Default fares for regional Queensland
4. Fare incentives review
5. Next steps and key messages

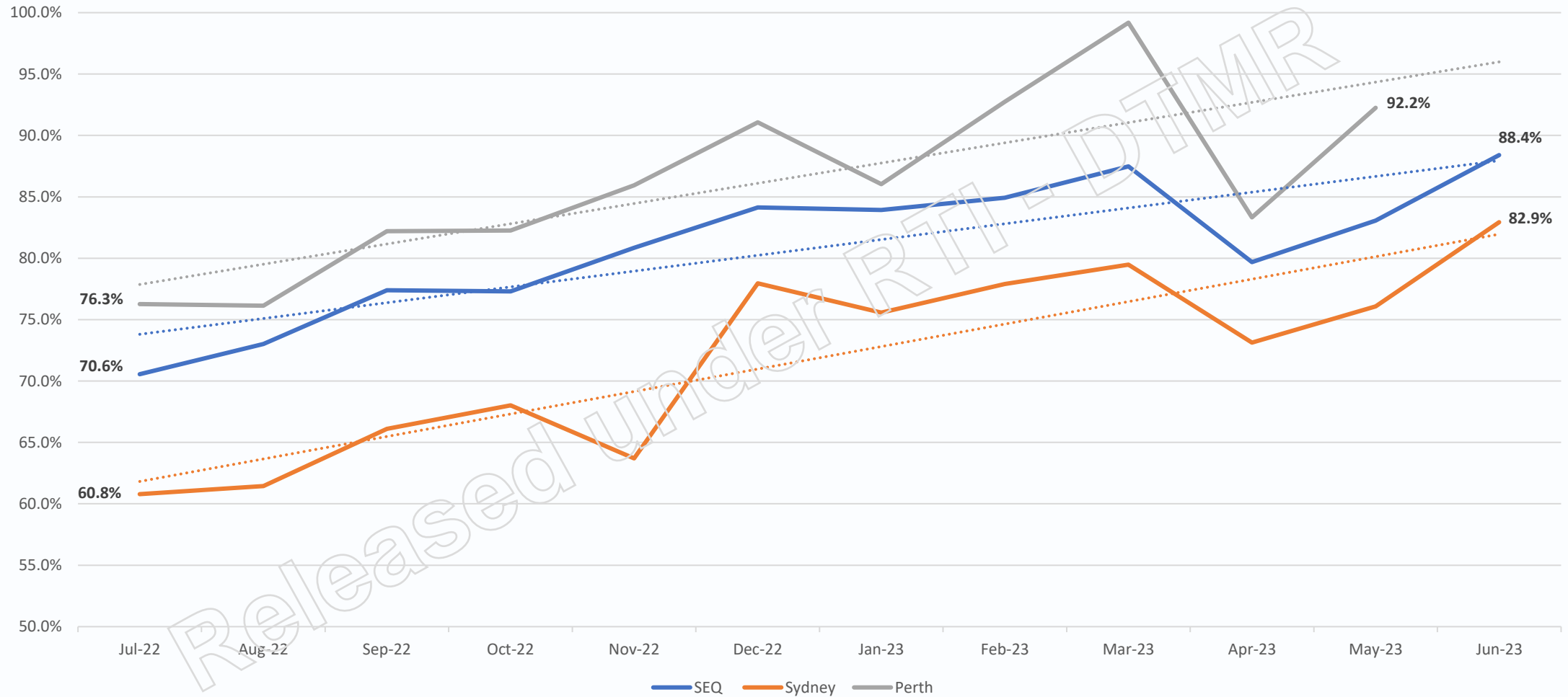


# SEQ public transport patronage COVID recovery

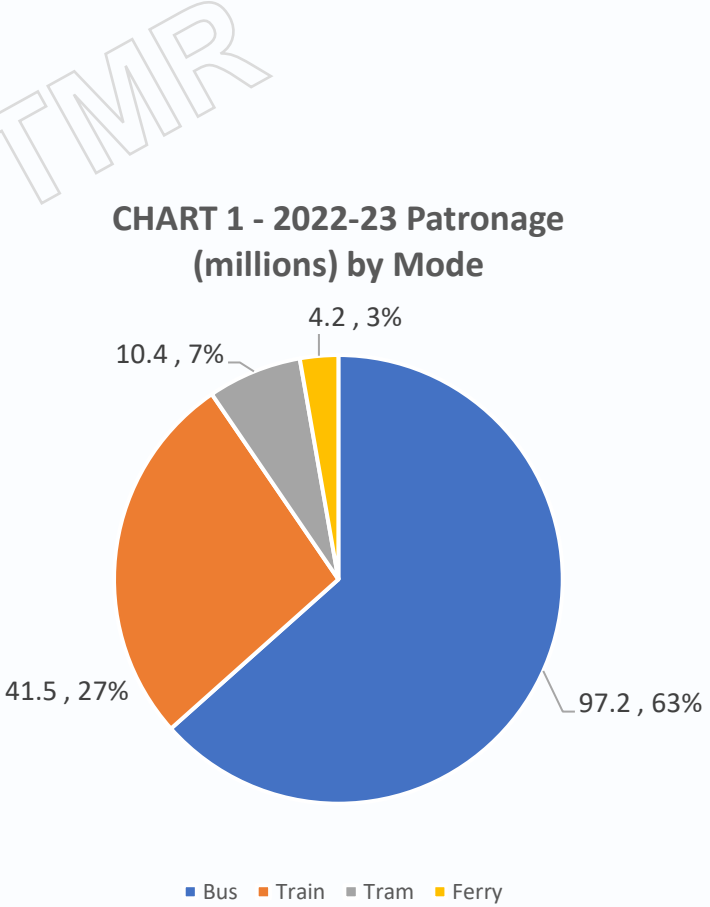
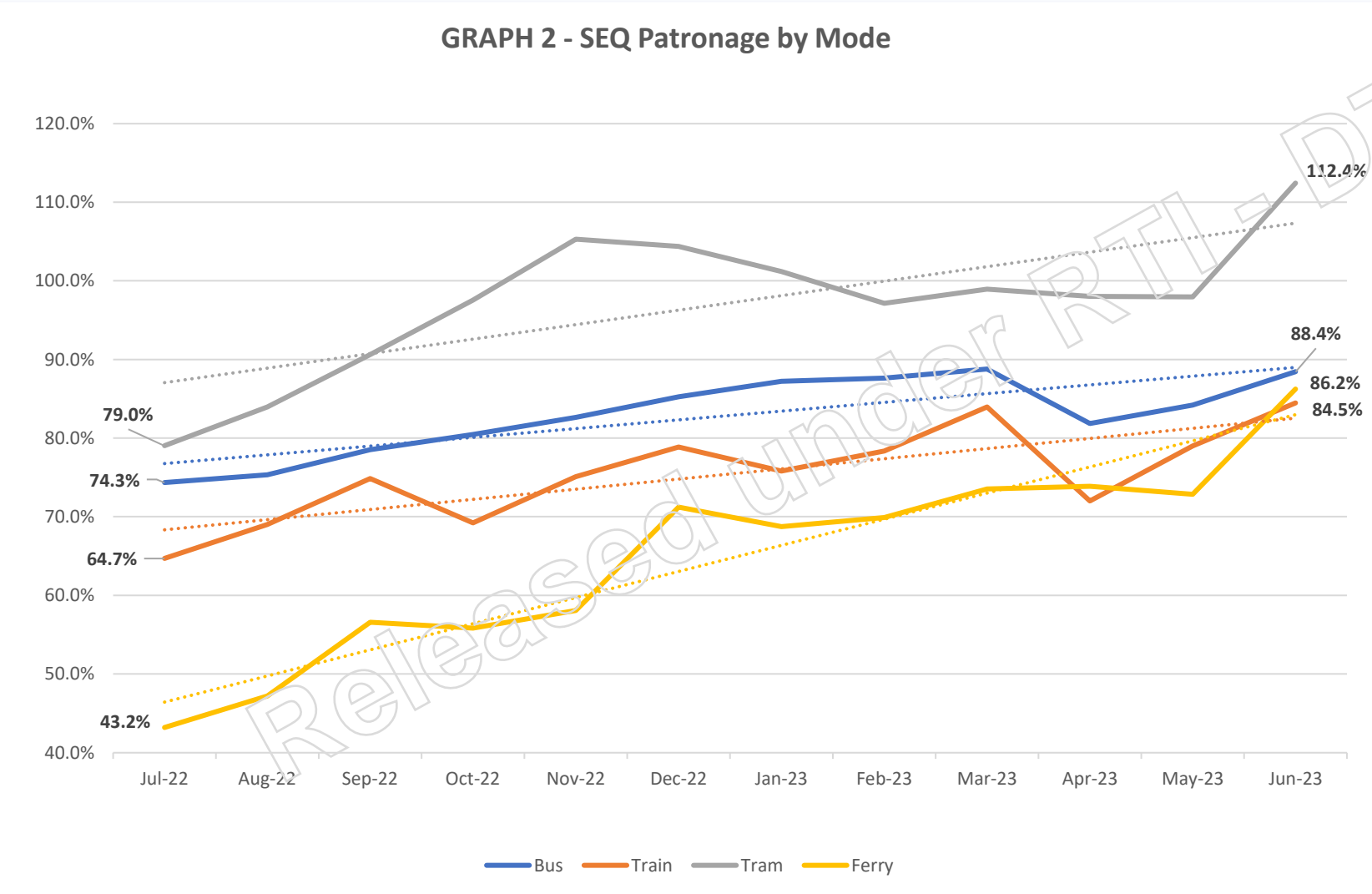
Julian Aitken, Executive Director  
(Finance and Performance)

# SEQ Overall Recovery compared to Perth and Sydney

**GRAPH 1 - 2022-23 Patronage as a percentage of pre Pandemic 2018-19**



# Recovery by Mode – an insight into how different modes support different patrons



# Recovery by Passenger type – ‘Necessity versus choice’

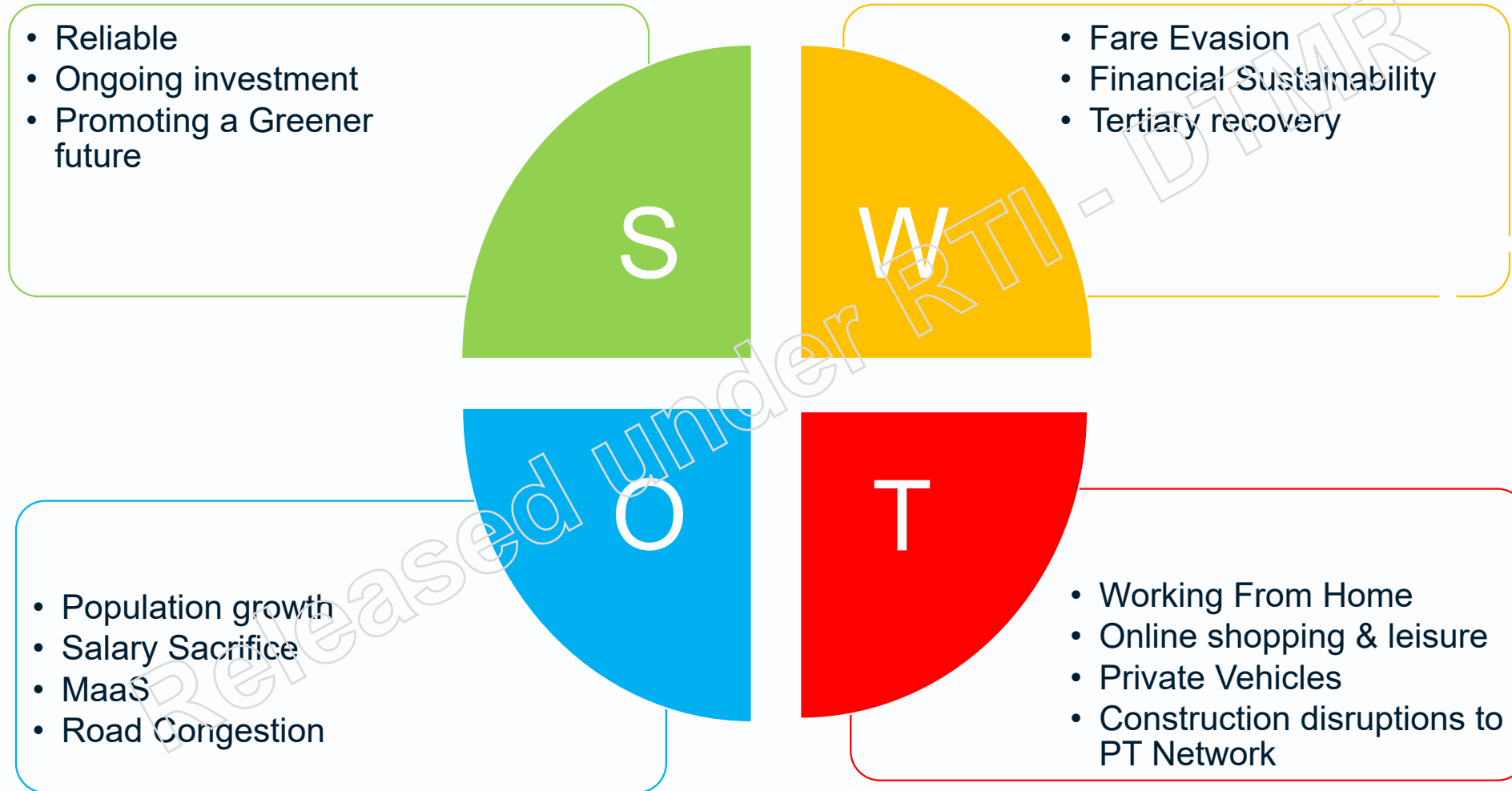
<b>TABLE 1 - 2022-23 Passenger Type</b>	<b>Percentage of pre COVID-19 levels</b>
School aged	95.4%
Pensioner, Senior, Gold Repat	80.4%
Adult	80.1%
Seekers	69.7%
Tertiary Student	66.8%

	<b>Peak</b>	<b>Off-peak</b>	<b>Overall</b>
<b>TABLE 2 - 2022-23 Peak / Off-Peak Recovery</b>	77.4%	83.7%	80.8%

	<b>CBD</b>	<b>SEQ Total</b>
<b>TABLE 3 - 2022-23 Brisbane CBD and SEQ Total Recovery</b>	72.7%	80.8%



# A SWOT Analysis on the current and future state of SEQ Public Transport in a 'Living with COVID' world



# Smart Ticketing customer insights

Jasmine Green, Executive Director  
(Customer Solutions)

Released under RTI - DTMR

# Annual fare adjustment approach

Kate Reilly, Acting Executive Director  
(Policy and Regional Operations)

# Current state

- No formal or consistent process for determining annual increases to public transport fares in Queensland.
- Inconsistent annual fare adjustment approaches over the last decade and no fare change half of the time.
- Cost recovery from public transport fares continues to decline. Service costs have increased while fares have generally remained constant due to fare freezes and decreases, or only marginal increases.
- Fare revenue currently contributes less than 10 per cent of the costs of providing services.

# Historical SEQ annual fare adjustments

Financial Year	CPI (Brisbane September Quarter)	Government Indexation Rate	SEQ Fare Adjustment
2013-14	2.2%	3.5%	January 2014 – 7.5% increase
2014-15	2.6%		December 2014 – 5% decrease <b>January 2015 – no change</b>
2015-16	1.5%		<b>January 2016 – no change</b>
2016-17	1.5%		December 2016 – significant fare reform 15% average decrease advised by SEQ Fare Review Taskforce <b>January 2017 – no change</b>
2017-18	1.5%		January 2018 – 1.5% increase (CPI)
2018-19	1.8%		January 2019 – 1.8% increase (CPI)
2019-20	1.9%		January 2020 – 1.9% increase (CPI)
2020-21	0.6%	1.8%	<b>January 2021 – no change</b>
2021-22	3.9%	1.7%	<b>January 2022 – no change</b>
2022-23	7.9%	2.5%	July 2022 – 2.5% (GIR) increase  January 2023 – 3.0% increase
2023-24	6.3% (June Quarter)	3.4%	TBC



# Previous Panel advice

- The Panel has previously provided advice on fare increases, underpinned by two important foundation principles:
  - **System sustainability** – given the extent of upward pressure on input costs for transport services it is appropriate to consider some relief to support retention and growth in services in a budget constrained environment noting the overarching objective to support public transport system usage and to respond to the pressures of continued population growth and development fronts; and
  - **Equity impacts** – ensuring that any fare rise is not disproportionately impacting those that are dependent on public transport and are often in the lower income levels and therefore will have challenges absorbing the costs of transport as an increased proportion of daily household costs in a low-wage or concession environment with a heightened cost of living overlay as reflected in the CPI movement.

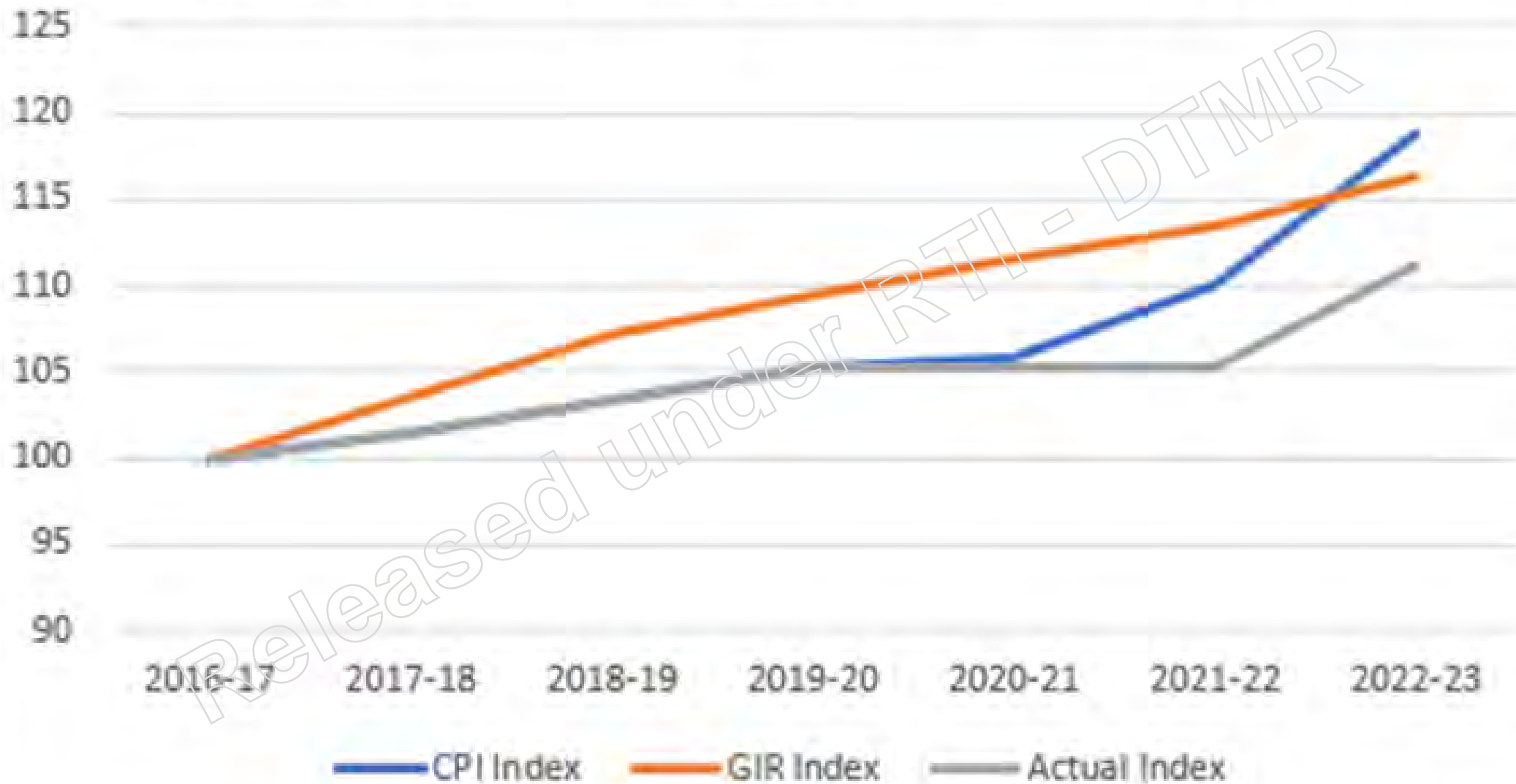
# Formalising annual fare changes

- Proposing to formalise an approach for annual public transport fare changes by aligning it to an indexation method, similar to other government services.
- Formalising an approach will:
  - provide longer term revenue stability for TMR and regional delivery partners by ensuring base funding increases every year and is based on a method that is predictable and consistent
  - provide greater opportunities, from a sustainable revenue base, to provide service improvements and offer new fare products and incentives to customers to influence travel behaviour and patronage growth
  - improve public transparency by decreasing the perceived political nature of annual fare adjustments
  - reduce the resource intensive internal approval process for annual fare adjustments and enable improved implementation planning timeframes.

# Indexation options

- Two main options have been considered:
  - Government Indexation Rate (GIR)
  - Consumer Price Index (CPI)
- The preferred option is to use GIR as the basis for annual fare adjustments as it:
  - is the common indexation method used for government fees and charges
  - provides significant lead time for implementation and reduces the resource intensive internal approval process for annual fare adjustments
  - provides the most consistent and balanced approach to indexation, based on historical rates

### CPI, GIR and actual cumulative increase index since Fairer Fares



# Government approval

- Seeking government approval is proposed to formalise the longer-term annual fare adjustment approach.
- Government approval is not normally needed for annual fare changes unless they form part of broader fare reform.
- But endorsement will provide a formal government position on the indexation approach and acceptance of any revenue and political implications.
- Once approved by government, the indexation method would then be applied each year without seeking Ministerial approval.



# Panel discussion



- Do you support a formalised approach to state-wide annual fare increases?
- Is GIR an appropriate mechanism to base fare increase on over the longer term?

Released under RTI - DPMAR



# 5-minute break

Released under RTI - DTMR

# Default fares for regional Queensland

Kate Reilly, Acting Executive Director  
(Policy and Regional Operations)

# What is a default fare?

- A fare that is automatically charged when a customer fails to tap on at the start of their public transport journey, or tap off at the end with their go card or Smart Ticketing payment token.
- The system can only calculate the correct fare when a customer taps on at the start and taps off at the end of their journey.
- Encourages the correct use of the ticketing system so accurate data is collected and lost fare revenue is minimised.
- Not intended as a penalty and should reasonably reflect the fare a customer should have paid for that journey.
- Default fares do not currently exist in regional areas due to the paper based ticketing systems.



# Default fares in SEQ

- Default fares have been in place in South East Queensland (SEQ) since the introduction of the *go* card in 2008, following an initial exemption period of six months.
- The default fare in SEQ is \$5 for bus, ferry and light rail and \$10 for trains (to reflect longer train journeys) with concession customers charged a 50% rate.
- The maximum SEQ fare is currently \$21.48 (adult peak fare), however we know that most (around 82%) adult customer journeys are two zones or less.
- The current default fare adequately recovers fare revenue for a two-zone peak bus journey (\$4.34) and a four-zone peak train journey (\$8.72).
- In 2022-23, default fares accounted for 2.63% of all bus and 2.78% of all train *go* card trips in SEQ which indicates most customers use the ticketing system correctly. We have seen an increase in default fares since EMV has been introduced.

# Maximum fares are different

- A default fare will need to be introduced in regional Queensland once Smart Ticketing is rolled out.
- Regional delivery partners will retain the default fare.
- Setting the default fare amount is challenging because:
  - Maximum fares are different in each region -- ranging from \$2.40 to \$8.40, depending on the maximum number of zones in each region.
  - Travel data in the regions is not yet available so we don't know average number/majority of zones travelled
  - What serves as encouragement to use the system correctly in one region, may not in another.

Region	Maximum zones	Maximum fare
Bowen	1	\$2.40
Warwick		
Innisfail	2	\$3.00
Gladstone		
Townsville (inc. Magnetic Island)	3	\$3.60
Whitsundays		
Bundaberg/Elliot Heads	4	\$4.20
Cairns		
Sunshine Coast		
Hinterland		
Maryborough/Hervey Bay		
Toowoomba	5	\$4.80
Mackay		
Rockhampton/Yeppoon		
Kilcoy-Caboolture	6	\$5.40
Gympie		
North Stradbroke Island (excluded from fare and zone change)	7	\$6.00
	9	\$7.20
	11	\$8.40
	2	\$5.00



# Default fares options for regional Queensland

- The default fare in the regions should not exceed the current SEQ bus default fare of \$5 to reflect lower fares and lower service offering in regional Queensland.
- Two options for setting the regional default fare have been identified:

**Option 1:** maximum fare for each region, capped at \$5

- 1 zone: \$2.40
- 2 zones: \$3.00
- 3 zones: \$3.60
- 4 zones: \$4.20
- 5 zones: \$4.80
- 6-12 zones: \$5.00

**Option 2:** flat default fare (above \$2.40 but not more than \$5) for all regions

- \$3.00, \$4.00 OR \$5.00

# Benefits and issues

	Option 1: maximum fare for each region, capped at \$5	Option 2: flat default fare (above \$2.40 but not more than \$5) for all regions
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Provides clear rationale as to how the amount was determined</li> <li>• Will increase in line with fares, protecting delivery partner revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Simple, state-wide communications</li> <li>• Consistent with SEQ approach</li> <li>• Encourages Bowen and Warwick</li> </ul>
<b>Issues</b>	<ul style="list-style-type: none"> <li>• Will impact delivery partner revenue in some regions</li> <li>• Inconsistent with SEQ approach</li> <li>• Tailored communications needed for each region</li> <li>• No encouragement for Bowen and Warwick</li> </ul>	<ul style="list-style-type: none"> <li>• Will impact delivery partner revenue in some regions</li> <li>• Set higher than the maximum fare in some regions, unreasonable cost</li> <li>• Perception/criticism that Translink is unfairly profiting from default fares in some regions</li> </ul>

# Options in action

- A customer in Bowen can only travel a maximum of one zone (\$2.40 fare).
- A customer in Townsville regularly travels three zones (\$3.60 fare). There are four zones in Townsville with a maximum fare is \$4.20.
- A customer in Gympie regularly travels two zones (\$3.00 fare). There are 11 zones in Gympie with a maximum fare of \$8.40.
- The default fare for these customers would be:

## Option 1:

- Bowen: \$2.40
- Townsville: \$4.20
- Gympie: \$5.00

## Option 2:

Flat default fare of  
\$3.00, \$4.00 OR  
\$5.00

# Supporting regional customer transition

- Smart Ticketing is a major change from the current paper-based ticketing system for customers in regional areas. Customers will not be accustomed to the 'tap on, tap off' technique.
- There is expected to be a high initial default fare rate in the regions once Smart Ticketing commences based on the experiences in SEQ.
- Customers will be supported through a customer communication and education campaign.
- Smart Ticketing will also utilise new capabilities before a default fare is charged. If a customer fails to tap off correctly, the system will charge a fare based on their 'typical' journey if sufficient travel history exists.
- Opportunity to provide an exemption period where the default fare is not charged for a set period of time or a reduced default fare amount equivalent to a one zone fare (\$2.40) is charged.

# Panel discussion



- Which is your preferred option and why?
- Should a default fare exemption period be implemented?

Released under RTI / DTMR

# SEQ fare incentives review

Kim Albrecht, Manager (Passenger  
Transport Strategy)

Released under RTI - DTMR



# Overview

- Smart Ticketing provides an opportunity to change products and incentives to influence customer travel behaviour and enable greater personalisation and simplicity.
- We've streamlined the regional product suite and we will extend south east Queensland (SEQ) products and incentives when Smart Ticketing is rolled out there in 2024.
- Now we are reviewing the current SEQ products and incentives and investigating new options.
- Customer research has commenced – it's important we know what will encourage customers to use public transport more.
- New incentive options will be modelled to understand potential patronage growth and cost to government.

# There are a few challenges

- Many reasons why customers don't use public transport – price is only one
- Complementary policies such as congestion charging won't happen any time soon
- Can't measure how effective current incentives are at increasing patronage
- Adult patronage, our most economically important, is heavily impacted by working from home
- Fare revenue shortfall continues and will for some time
- Fare evasion continues to be a concern
- Translink doesn't regularly market or promote PT



# Current SEQ incentives and products

**PAYG *go* card/EMV**

**Single paper ticket**

**Weekly 8 & 50%**

**Seniors 1, 2, Free**

**Kids free on weekends**

**Off peak discount**

***go* Event**

**Group single paper**

***go seeQ* tourist**

***go explore* tourist**

***go* Business**

**Bus salary packaging**

Released under RTI - DTMR

# Current travel behaviour

42% of adult customers **undertake 1 or 2 journeys a week**

Most customers **travel 2 zones or less** - 85% of adults and 91% of concessions

5% of adults and 7% of concessions **undertake more than 2 journeys per day**

35% of adults take **3 to 6 journeys** and 19% undertake **8 or more journeys**

15% of adults and 10% of concessions **travel between 3 and 8 zones**

# Utilisation of current incentives

## 8 & 50%

- Benefit: 12.9% of adults, 12.3% concessions
- Pre-covid: 19.7% of adults, 14.6% concessions
- Cost: **\$6.4M**

## Seniors 1, 2 Free

- Benefit: 7.6% of seniors
- 92.4% seniors undertake 2 journeys or less per day
- Cost: **\$1.1M**

## Kids free on weekends

- Benefit: 6,613 cards each weekend
- Cost: **\$0.6M**

## Off peak

- Benefit: 54.29% of customers
- Cost: **\$19.6M**

# New Smart Ticketing functionality

## Capping

The total fare paid by each customer within a specified time period is limited after a certain value or number of trips is reached. Additional travel is then free.

Allows customers to benefit from frequent use without having to make an upfront purchasing decision.

Suitable for shorter timeframes (daily, weekly) so customers can keep track of the benefits of undertaking each additional trip.

## Pre-paid passes

A one-off, upfront payment of a set amount for unlimited travel for a set time period.

There is no contract or agreement, the passes are not ongoing after the set period ends, another pass needs to be purchased.

A customer can take breaks between passes.

Suitable for medium timeframes (weekly, monthly) so the upfront cost isn't prohibitive.

## Subscription

Ongoing, periodic payments for unlimited use on public transport services.

Requirement for automatic funds transfers to be set up, which would be deducted monthly under terms set out by the provider.

Suitable for medium timeframe (monthly) to enable periodic payments and provide the customer benefit of 'set and forget'.



# New incentive options

Shortlisted options to model and test based on Smart Ticketing system functionality and preliminary analysis of customer and revenue impacts

## Monthly pass/subscription

- Based on zones travelled
- Full month of travel
- Concession rate applies
- e.g. \$100 a month for unlimited 2 zone journeys

## Annual pass

- Based on zones travelled
- Valid for 365 days
- Concession rate applies
- e.g. \$1000 a year for unlimited 2 zone journeys

## Weekend daily cap

- Maximum daily cap for Saturday or Sunday
- Concession rate applies
- Not zone based
- Kids travel free weekends remains
- e.g. \$8 all day Saturday travel

## 6 & 50%

- Make 6 paid journeys and pay half price for all remaining travel in the week
- Applies to adult and concessions

## Daily cap (1, 2, free)

- Travel is free after first two paid journeys
- Not zone based
- Applies to adult and concessions

# Next steps

- Test options and a range of price points with customers – **underway**
- Model new options to understand potential patronage growth, based on outputs from customer market research, and cost to government
- Bring recommended package to PT Fares Advisory Panel – **early 2024**
- Brief Minister and seek government approval
- Implementation from 2025, once Smart Ticketing is complete
- Investigate need for new products e.g. family ticket, tourist ticket

# Products and incentives customer research

James Buttenshaw, Director (Customer  
Insights and Advocacy)

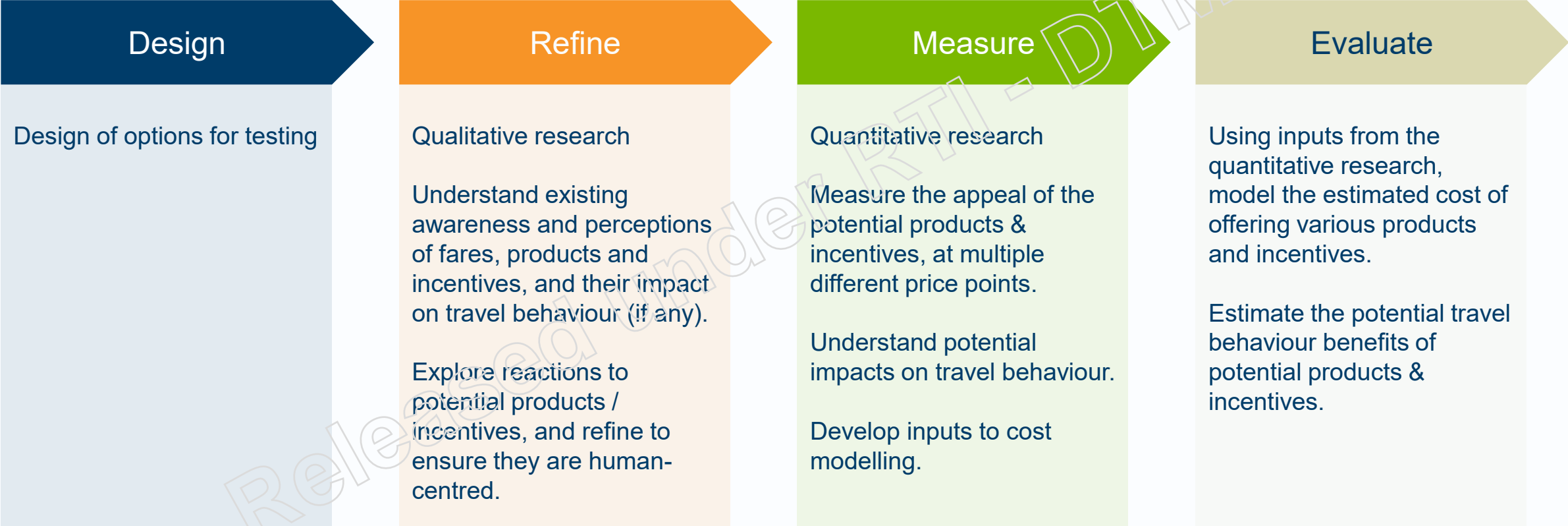
# Ensuring a customer centric approach

1. Understand the current state
2. Refine products and incentives
3. Measure the impact

Released under RTI - DMIR



# Our approach to the research



We are here

# Qualitative Research

13 focus groups with 99 public transport users in SEQ

Mix of travel frequencies, distances travelled, zone use, and fare types.

## Sessions explored

- existing awareness and perceptions of fares, products and incentives, and their impact on travel behaviour.
- Explore reactions to potential products / incentives, and refine to ensure they are human-centred.

NR

Released under RTI - DTMR



# Understanding of existing fares and “ways to save” is limited



**Make 8 journeys  
then travel half price.**

# Response to potential products was mixed

**Monthly pass**

**Daily cap  
(1,2 and free)**

**Annual pass**

**6 & 50**

**Weekend  
daily cap**

# What's Next

Final refinement of the concepts

Quantitative testing – online survey with a large number of customers

Cost modelling and travel behaviour estimates

Final evaluation of desirability, feasibility, and viability



# Panel discussion



- Are there any questions on the approach we are taking?
- Initial thoughts on the incentive options being tested?
- Any other questions or comments?

Released under RTI-DIMAR

# Key messages and next steps

- Panel to agree on key messages from today's meeting to be shared with the Minister's office
- Department of Premier and Cabinet have asked Panel members to complete a Diversity Data Collection Form
- Next meeting: early 2024
- Email the secretariat: [FaresAdvisoryPanel@translink.com.au](mailto:FaresAdvisoryPanel@translink.com.au)



**Thank you and stay  
connected**

[www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)



TMRQld



@TMRQld



TMRQld



Department of Transport and Main Roads

Released under RTI - DTMR



# Background Information for Public Transport Fares Advisory Panel

## Agenda Item 3: Annual Fare Adjustment Approach

- Cost recovery from public transport fares continues to decline. Service costs have increased while fares have generally remained constant due to fare freezes and decreases, or only marginal increases. Fare revenue currently contributes less than 10 per cent of the costs of administering state-wide services.
- The Australian Productivity Commission found that public transport cost recovery in South East Queensland pre-COVID was significantly lower than all other major Australian cities. The Australian Productivity Commission also recently recommended public transport agencies should mandate an annual fare adjustment approach as a practical way to mitigate against the steady decline of fare recovery and the resulting budgetary impacts.
- Regular indexation is a mechanism commonly used in the transport industry, and across government services, to ensure prices continue to reflect costs.
- There are two main indexes that have been used previously as the basis for fare increases:
  - **Consumer Price Index (CPI)** – CPI is determined by the Australian Bureau of Statistics and measures the average change over time in prices paid by households for a fixed basket of goods and services. While CPI is a comprehensive measure, it is unpredictable and can fluctuate significantly.
  - **Government Indexation Rate (GIR)** – GIR is a more moderate measure calculated by Queensland Treasury that is used for the indexation of other government fees and charges. Using GIR to determine fare adjustments is consistent with other government processes.
- Formalising a consistent approach and indexation method for annual fare increases will:
  - provide longer term revenue stability for the department and regional delivery partners
  - provide greater opportunities, from a sustainable revenue base, to provide service improvements and offer new fare products and incentives to customers to influence travel behaviour and patronage growth
  - improve transparency over annual fare increases
  - provide a predictable schedule of cost increases for customers
  - reduce the resource intensive approval process and enable improved implementation planning.

Financial Year	CPI (Brisbane September Quarter)	Government Indexation Rate	SEQ Fare Adjustment
2013-14	2.2%	3.5%	January 2014 – 7.5% increase
2014-15	2.6%		December 2014 – 5% decrease January 2015 – no change
2015-16	1.5%		January 2016 – no change
2016-17	1.5%		December 2016 – significant fare reform 15% average decrease advised by SEQ Fare Review Taskforce January 2017 – no change
2017-18	1.5%		January 2018 – 1.5% increase (CPI)
2018-19	1.8%		January 2019 – 1.8% increase (CPI)
2019-20	1.9%		2.25%
2020-21	0.6%	1.8%	January 2021 – no change
2021-22	3.9%	1.7%	January 2022 – no change
2022-23	7.9%	2.5%	July 2022 – 2.5% (GIR) increase January 2023 – 3.0% increase
2023-24	6.3% (June Quarter)	3.4%	TBC

Figure 1: Historical South East Qld annual fare changes

# Background Information for Public Transport Fares Advisory Panel

## Agenda Item 5: Default fares for regional Queensland

### What is a default fare?

A default fare is an amount that is automatically charged when a customer fails to tap on at the start of their public transport trip or tap off at the end of their trip with their *go* card or Smart Ticketing token or credit/debit card. The ticketing system can only calculate the correct fare when there is tap recorded at both ends of the trip and the trip origin and destination is known.

For example, if customer taps on with their *go* card as they enter the bus but does not tap off when they exit the bus, they will be charged a default fare as the ticketing system can't record where the customer got off the bus.

### Why do we need a default fare?

The default fare encourages customers to use the ticketing system correctly, which minimises lost fare revenue and enables accurate journey data collection. It is not intended to be a penalty so should reasonably reflect the fare a customer should have paid for their journey.

### What is the default fare in South East Queensland (SEQ)?

The default fare in SEQ is \$5 for bus, ferry, and light rail trips and \$10 for train trips (to reflect longer train journeys) with concession customers charged a 50% rate. The maximum SEQ adult *go* card fare is currently \$21.48.

### What are the default fares in the regions?

Default fares do not currently exist in regional areas due to the predominance of paper-based ticketing systems.

### Why do the regions need a default fare?

When Smart Ticketing is rolled out regionally, default fares will need to be introduced to align with the SEQ approach, and to protect fare revenue for regional delivery partners.

Smart Ticketing will utilise new capabilities before a default fare is charged. If a customer fails to tap off at the end of their trip correctly, the system will reconstruct their journey and charge a fare based on a 'typical' journey if sufficient travel history exists. Once this has occurred several times within a set period, the customer will then be charged the default fare.

### What is the maximum fare in the regions?

The maximum fares in regional Queensland vary and range from \$2.40 to \$8.40, depending on the maximum number of zones in each region.

Region	Maximum zones	Maximum fare
Bowen	1	\$2.40
Warwick		
Innisfail	2	\$3.00
Gladstone	3	\$3.60
Townsville (inc. Magnetic Island)	4	\$4.20
Whitsundays	5	\$4.80
Bundaberg/Elliot Heads		
Cairns		
Sunshine Coast Hinterland		
Maryborough/Hervey Bay	6	\$5.40
Toowoomba	7	\$6.00
Mackay		
Rockhampton/Yeppoon		
Kilcoy-Caboolture	9	\$7.20
Gympie	11	\$8.40
North Stradbroke Island	2	\$5.00

# Public Transport Fares Advisory Panel

## Meeting 7 Minutes

**Date and Time: 10am – 12pm, Friday 8 September 2023**

Online: Microsoft Teams meeting

### Attendees

#### Chair

NR [redacted] National Industry Leader (Infrastructure, Government and Healthcare) and Partner, KPMG

#### Panel members

NR [redacted] Professor (School of Engineering and Built Environment), Griffith University

NR [redacted] Special Advisor, Social Policy Group

NR [redacted] Managing Director, Struber

NR [redacted] Community Engagement Manager, Community Refugee Sponsorship Australia

#### Department of Transport and Main Roads (TMR) Secretariat and Guests

Kate Reilly, A/Executive Director (Policy and Regional Operations), Translink Division

Kim Albrecht, Manager (Passenger Transport Strategy and Legislation), Translink Division

Annelise Nofz, Graduate Policy Officer (Legislation), Translink Division

Julian Aitken, Executive Director (Finance and Performance), Translink Division

Jasmine Green, Executive Director (Customer Solutions), Translink Division

James Buttenshaw, Director (Customer Insights and Advocacy), Translink Division

### Apologies

NR [redacted] Business owner and Consultant

#### 1. Welcome and introductions

NR [redacted] welcomed the Panel, recapped key messages from the previous meeting and outlined the agenda.

#### 2. Update on developments since last meeting

##### Public transport patronage recovery post COVID-19

- Julian provided an update on the public transport patronage COVID recovery in southeast Queensland (SEQ):
  - Overall SEQ recovery rate in June 2023 was over 88% but not all modes recovered equally. Tram has been quickest due to tourism demand, while train recovery is slowest due to reliance on adult commuters.
  - School children have the highest rate of recovery, as they are using the network out of necessity. Adult users have recovered just over 80% of pre pandemic levels and continues to be impacted by the shift to working from home.
  - The recovery in the off-peak is 6% greater than the peak recovery, which highlights how the commuter peak market was more disrupted by the pandemic.

- Brisbane CBD recovery is 8% lower than the total network recovery.

**Panel discussion:**

- The Panel commended TMR's decision to maintain public transport services during COVID-19 which has provided a solid foundation for re-establishing patronage across SEQ. International jurisdictions that cut services during the pandemic are struggling with returning to pre-COVID patronage compared with jurisdictions that maintained supply of services.
- The Panel queried when Translink will stop measuring patronage against pre-COVID levels and start benchmarking against post-COVID 'new normal' patronage data. Service disruptions associated with new infrastructure projects such as Cross River Rail will continue to impact patronage over the next two years.
- The Panel noted that cost of living pressures has resulted in people moving further away from key public transport options. The Panel noted that the SEQ Regional Plan (Shaping SEQ) includes information on the integration of land use and transport planning, which may be used to inform key transport connections needed to support future growth.

**Smart Ticketing update**

- Jasmine Green provided an update on the roll out of Smart Ticketing and provided key customer insights on take up:
  - Installation of equipment is underway on SEQ buses and ferries with staged trials of EMV payments to commence by the end of the year. Regional roll out on 611 buses in 16 different regional areas to follow.
  - 20% of eligible tram customers and more than 10% of eligible train customers are using the new ways to pay. 7.7million Smart Ticketing trips have been taken to date.
  - Customer feedback is that they like the new equipment and it's easy to identify, new displays are much clearer and new payment options are convenient.
  - Immediate priorities are to deliver a customer contact centre portal and customer web portal to support customers using Smart Ticketing and enable concession fares on the new Translink card (go card replacement) and EMV.

**Panel discussion:**

- The Panel were pleased to hear about the progress of the Smart Ticketing rollout, and highlighted the importance of customers having the choice of a variety of payment options that are convenient, flexible and accessible and suit a range of different needs.
- The Panel noted that behavioural economics and research have been used during the rollout of Smart Ticketing to trains and trams, and will continue to be used to inform the planning and delivery of customer communication and education campaigns.

**3. Annual fare adjustment approach**

- Kate Reilly presented on a proposal to formalise and standardise the annual fare increase process by linking it to the Government Indexation Rate (GIR).

**Panel discussion:**

- The Panel endorsed the continuing dual lens of equity impacts and system sustainability as the two foundation principles framing fares determinations.

- The Panel supported a formalised and consistent approach to state-wide annual fare increases, noting cost recovery from fares is very low.
- The Panel agreed that the GIR is an appropriate mechanism to base fare increases on over the longer term, as it is a logical and fair option.
- The Panel noted that, in some past instances, the GIR has been higher than the Consumer Price Index (CPI). However, there is a level of flexibility within the GIR methodology to ensure the outcome is appropriate for customers.

#### 4. Default fares for regional Queensland

- Kate Reilly presented on options for the default fare amount in regional Queensland that will need to be introduced once Smart Ticketing is rolled out.
  - A default fare is automatically charged when a customer fails to tap on at the start of their public transport journey, or tap off at the end with their go card or payment token.
  - It encourages the correct use of the ticketing system so accurate data is collected and lost fare revenue is minimised.
  - Different regions have different maximum fares and different number of zones, travel patterns are unknown due to lack of data.
  - Two options for setting the default fare are being considered:
    - Option 1: the maximum fare in each region, capped at \$5 (the SEQ default fare)
    - Option 2: a flat default fare (above \$2.40 but not more than \$5) for all regions

#### **Panel discussion:**

- The Panel acknowledged the complexities of setting an appropriate default fare in regional Queensland and the importance of maintaining consistency with SEQ where possible.
- The Panel preferred Option 1 as it provides a solution that is fair and equitable for most regions. The Panel noted Option 2 could be seen as punitive in some regions.
- The Panel noted Option 1 would result in a more tailored communication approach which is more resource intensive.
- The Panel highlighted the importance of supporting regional customers during transition to the new Smart Ticketing system and the implementation of an exemption period, where customers would not be charged the default fare, is preferred. The Panel also suggested the following ideas for potential investigation:
  - the use of a 'call to action' in the education and communication campaign rollout, informing customers how Translink can assist them to resolve their queries about default fares.
  - the use of 'push notifications' to provide targeted education and communication to customers about why a default fare has been charged and/or automatically waive the first occurrence of a default fare.

#### 5. Fare incentive review

- Kim Albrecht presented on the SEQ fare incentive review and the new incentive options, based on Smart ticketing functionality, being investigated for potential implementation once Smart Ticketing roll out is complete:
  - Annual and monthly passes or subscriptions

- Make two paid journeys and travel is free for all remaining travel during the day
- Maximum daily value cap on Saturday or Sunday
- Make six paid journeys and pay half price for all remaining travel in the week
- James Buttenshaw presented the high-level results from the first stage of products and incentives customer research in which 13 focus groups were held:
  - Current incentives and discounts are generally not well known, or customers are not incentivised by them to use public transport more.
  - Initial responses were positive towards monthly passes and a weekend value cap but an annual pass did not rate favourably. A 50% discount (after six paid journeys) was not seen as substantial enough for customers to increase their public transport use.

**Panel discussion:**

- The Panel noted the fare incentive options being considered, to be implemented once Smart Ticketing is complete, and the importance of the customer research underway to inform decision making.
- The Panel noted customer testing of fare incentive options and a range of price is underway which is an important aspect to inform decision making.
- The Panel were particularly supportive of the weekend cap incentive option as it could increase patronage during a traditionally lower demand period with considerable service capacity available.
- The Panel suggested providing a comparison of public transport costs and driving costs (including taxi and ride share) could motivate people to consider different transport options.
- The Panel noted the current off-peak discount is less beneficial when customer demand is lower and expressed an interest in understanding how the off-peak discount could be reduced and the cost reinvested into alternative incentives to increase patronage in key customer markets.
- The Panel noted they will receive an update on the next round of detailed incentives customer research and the recommended fare incentives package at the next meeting in 2024.

**6. Next steps and key messages**

- NR thanked everyone for attending the meeting and noted the next meeting will be scheduled in the first half of 2024.
- Kate Reilly also thanked everyone for attending the meeting and suggested the next meeting in 2024 is held in person.

**Action 1:** Presentations from the meeting will be circulated for any further feedback from Panel members, noting Adrienne Ward was an apology.

**Action 2:** NR on behalf of the Panel, will prepare key meeting messages for the Minister.

©The State of Queensland, Department of Transport and Main Roads

*The contents of this document may not have been approved and do not necessarily accurately reflect the views of the meeting participants or represent the adopted opinion or position of the Department of Transport and Main Roads.*

*The distribution of this document, in whole or part, to individuals or entities for purposes other than internal departmental purposes, is prohibited. Any unauthorised distribution of this document may be a breach of copyright and/or a contravention of the department's Code of Conduct.*