

MIN-3911 Auckland Transport research into impact of half price fares.

20 July 2022

Following the 6 July 2022 Officials' Meeting, you have asked for the research Auckland Transport completed into the impact of half price fares on public transport patronage. Auckland Transport have provided the summary presented at their recent board meeting. A detailed report will be presented at the next board meeting.

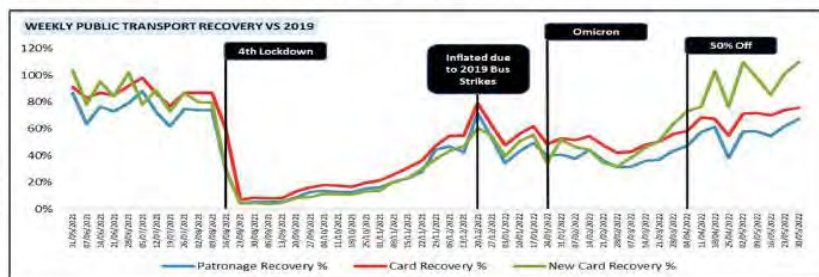
The research Waka Kotahi has commissioned will be shared with you via MIN-3881, which will be with you mid-August.

The following excerpts have been provided by Auckland Transport following presentation of their initial presentation to the Auckland Transport Board.

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Since launch of the 50% off PT offer, we have seen significant growth in card sales and new card use, but patronage recovery has stalled at approximately 60% most likely due to public transport service performance issues

- In 3 out of the last 5 weeks in May, patronage exceeded 1.2 million trips (first time since pre-Delta August 2021).
- Patronage recovery has stalled at approximately 60% of 2019 volumes as AT has faced many PT service performance issues. Driver shortages due to Covid-19 related absenteeism (sickness or need to isolate) has resulted in PT service disruptions and cancellations around 10% of services.
- Train patronage is lagging due to previous and ongoing KiwiRail disruption caused by track works. Recovery rate on rail is tracking approximately 10% behind bus and ferry
- People are returning to the network at a higher rate than overall patronage (trips). There were 195k unique cards active on the network in the last week of May (76% of 2019 volumes), but people are travelling less frequently than they were pre COVID-19.
- Card sales for May 2022 were 22.7k (+86% from March 2022 prior to the 50% offer). To date, 86% of cards sold since the launch of the 50% off PT offer have been used on the network and 50% have been registered
- 5.4k new cards were used on PT in the last week of May (+51% vs week prior to the 50% offer). This represents 2.8% of all cards used on the network that week (up from 2.5% prior to the 50% offer) and 1.8% of trips (up from 1.6%)
- Since the launch of the offer, increased usage of new cards was seen on Ferry on Weekends/Public Holidays, with highest growth on Child concessions
- Given that many people have not travelled on the network since to August 2021, there is a good chance that many of these sales and patronage (on seemingly new cards) are just people returning to PT and not actually new to PT customers
- Survey data shows that while 42% of people travelling on the network claimed that they used PT more because of the 50% off offer, just 2% claimed that they had started using PT because of the offer.
- Since the launch of the offer we have also seen an increase in usage of AT Mobile and web especially the Journey Planner and Live Departure features.



Consumer Reaction to Half Price PT Offer

The half priced Public Transport offer continues to be welcomed by PT users

- Awareness of the half price Public Transport Offer is very high with four out of five people aware of the offer.
- Half (51%) of existing PT users claim they will use PT more because of the offer.
- Those who have used PT more claim they have been doing more trips to and from work (38%), to access entertainment (18%), to go to local stores (18%), visit friends and family (16%), day trips / sightseeing (16%) and for amenities / appointments (14%).
- The offer is seeing more families travelling together, which was previously restricted due to the cumulative cost of travel for family members
- Younger people, and regular users of public transport claim to be most motivated by the half price offer. However, it appears that people from lower income groups are actually less motivated by the offer than those with higher incomes.
- However, there are strong barriers other than price to Public Transport usage. Over half (55%) of non PT users strongly disagree that they will use PT more because of the discount.

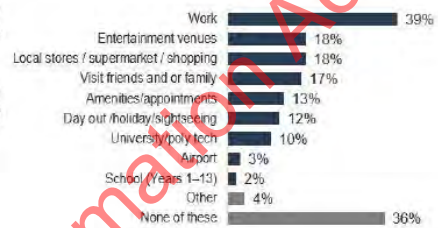
"I bus to and from work 5 days a week and use it to get around on weekends too - this has increased my disposal income by up to \$30 per week which has been amazing. I have to top up less frequently and I don't have to worry about getting off my bus early or at a certain stop to avoid paying more."

"Public transport had always been far too expensive, so this actually finally makes it a reasonable choice."

I will use Public Transport more because of the 50% discount



Types of trips been doing more of or started doing as a result of the half price fares



Source: IPSOS Covid Tracker, PT satisfaction survey