

May 2015 Fare Compliance Survey Results



Key highlights

Transport for NSW has delivered a **significant improvement in fare compliance** since 2012, with the May 2015 survey estimating fare compliance to be

↑ 94.8% across the public transport network, compared with 89.0% in 2012.

Annual revenue loss as a result of non-compliance is estimated to be

\$79.5 million as at May 2015, compared with \$139.6 million in 2012.

Rail fare compliance is estimated to be 94.6%, up from 91.7% in 2012:

↑ an improvement of 2.9 percentage points.

Bus fare compliance is estimated to be 95.0%, up from 84.7% in 2012:

↑ an improvement of 10.3 percentage points.

Ferry fare compliance is estimated to be 97.4%, up from 95.1% in 2012:

↑ an improvement of 2.3 percentage points.

Survey background

- In November 2012, The Bureau of Transport Statistics (BTS) commissioned the first ever fare compliance survey since the establishment of Transport for NSW (TfNSW). The survey was repeated in November 2014 and again in May 2015.
- The surveys are designed to measure the incidence of non-compliance and associated revenue loss across the public transport network. This work identifies problem areas and helps the NSW Government develop strategies to improve both fare compliance and revenue.
- The 2012 survey included bus, train and ferry. TfNSW began its contract with the Light Rail operator in July 2013; consequently light rail was not included in the 2012 survey.
- The 2014 survey included train, ferry and light rail. Opal rollout on buses was underway at the time of the survey; consequently buses were not included in the 2014 survey.
- The May 2015 survey involved checking almost 65,000 Opal cards and paper tickets (including Magnetic Stripe Tickets) across train, bus, ferry and light rail modes.
- Customers identified as not complying included those not having a ticket, those travelling on a concession ticket without valid entitlement (concession misuse), and those travelling beyond the authority of their ticket (overriding).

Survey snapshot

Fare compliance by mode

Mode	2012	2014	2015	Change from 2012
Rail	91.7%	93.8%	94.6%	+2.9%
Bus	84.7%	-	95.0%	+10.3%
Sydney Ferries	95.1%	97.1%	97.4%	+2.3%
Sydney Light Rail	-	93.5%	95.7%	-

Non-compliance (%) by time of day (weekday)

Mode	AM peak	PM peak	OFF peak
Rail (total)	3.9%	5.2%	6.1%
Sydney Trains	3.8%	4.9%	5.9%
NSW Trains	6.7%	8.8%	9.7%
Bus	3.4%	4.5%	6.3%
Sydney Ferries	3.2%	1.6%	2.8%
Sydney Light Rail	1.5%	5.8%	4.2%

Non-compliance (%) by day type

Mode	Weekday	Weekend
Rail (total)	5.1%	7.2%
Sydney Trains	4.9%	7.1%
NSW Trains	8.4%	8.1%
Bus	4.9%	5.4%
Sydney Ferries	2.5%	2.7%
Sydney Light Rail	4.0%	5.2%

Non-compliance (%) by category

Mode	Not having a ticket	Overriding	Concession misuse
Rail (total)	3.3%	0.4%	1.8%
Sydney Trains	3.1%	0.4%	1.8%
NSW Trains	5.8%	0.4%	2.2%
Bus	2.9%	0.3%	1.8%
Sydney Ferries	1.9%	0.1%	0.7%
Sydney Light Rail	3.3%	0.0%	1.1%

Non-compliance revenue loss by category

Mode	Not having a ticket (\$ '000)	Overriding (\$ '000)	Concession misuse (\$ '000)
Rail (total)	39,560	680	17,550
Sydney Trains	32,960	590	14,980
NSW Trains	6,600	90	2,570
Bus	13,880	430	5,230
Sydney Ferries	930	4	450
Sydney Light Rail	610	1	150

Estimated revenue loss

Mode	2012* (\$ '000)	2015 (\$ '000)	Change from 2012 (\$ '000)
Rail	89,160	57,780	31,380
Bus	46,160	19,540	26,620
Sydney Ferries	4,270	1,380	2,890
Subtotal	139,590	78,700	60,890
Light rail	-	760	(760)
Total	139,590	79,460	60,130

* Applying 2012 non-compliance rate with 2015 fare prices and patronage.

* Light Rail was not included in 2012 as it was not under contract with TfNSW at the time.

Opal card vs. paper ticket (incl. magnetic stripe ticket) non-compliance

Mode	Opal	Paper*	Non compliance rate (Total)
Rail (total)	1.8%	3.6%	5.4%
Sydney Trains	1.8%	3.4%	5.2%
NSW Trains	2.1%	6.2%	8.3%
Bus	1.5%	3.5%	5.0%
Sydney Ferries	1.1%	1.5%	2.6%
Sydney Light Rail	1.9%	2.4%	4.3%

* Customers identified as having no ticket at all were allocated to the Paper category.

General notes:

- For comparison purposes, 2012 estimated revenue loss has been adjusted by applying 2015 fare prices and 2015 patronage levels to 2012 non-compliance rates.
- 2012 revenue loss has been estimated for the period January 2012 to December 2012.
- 2015 revenue loss has been estimated for the period July 2014 to June 2015.

Fare compliance by mode

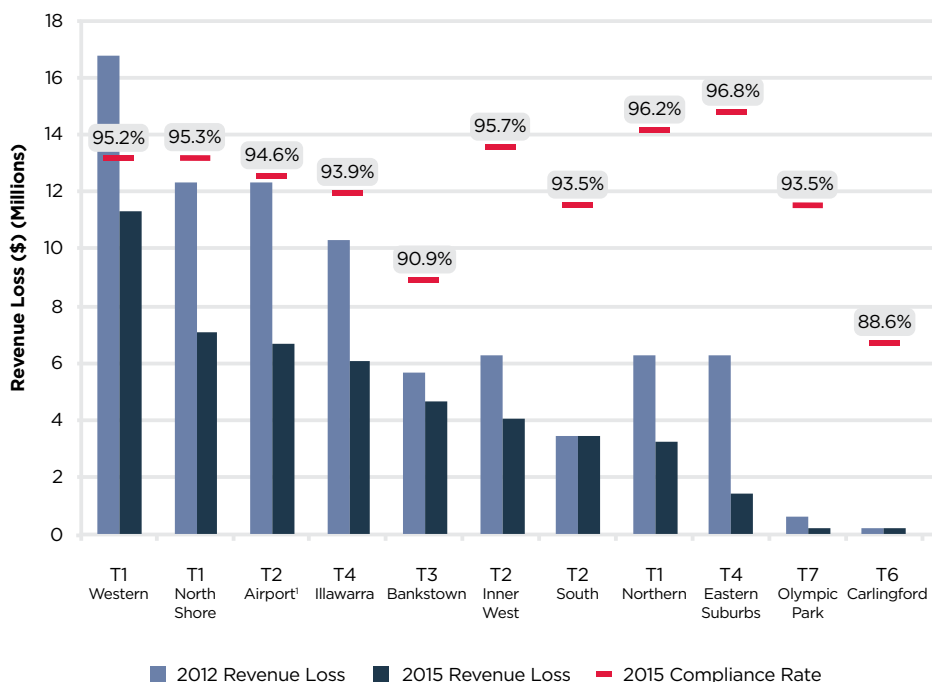
Sydney Trains

Sydney Trains Network Map – Fare compliance survey results



- Sydney Trains **fare compliance is estimated to be 94.8%, an improvement of 3.1 percentage points** compared to the total rail network compliance rate of 91.7% in 2012.
- Estimated annual **revenue loss reduced by \$32.6 million** from \$81.1 million in 2012 to \$48.5 million in 2015.
- Compared with 2012, fare compliance has improved on 9 of the 11 lines, with small decreases in fare compliance of 0.2 percentage points on the Bankstown and South lines.
- The Eastern Suburbs line had the largest improvement in compliance (from 89.0% to 96.8%). Other notable improvements were:
 - Olympic Park line (from 86.8% to 93.5%);
 - Western line (from 91.1% to 95.2%); and
 - Northern line (from 92.1% to 96.2%).
- While still accounting for a large proportion (23.2%) of revenue loss on the Sydney Trains network, improved fare compliance on the Western line has resulted in a decrease in estimated annual revenue loss from \$16.9 million in 2012 to \$11.3 million in 2015.
- Similar reductions in estimated revenue loss were seen on the Airport line (decreasing from \$12.4 million in 2012 to \$6.6 million in 2015) and North Shore line (decreasing from \$12.4 million in 2012 to \$7.2 million in 2015).

Compliance rate and revenue loss for Sydney Trains



¹ Airport line extends to Macarthur

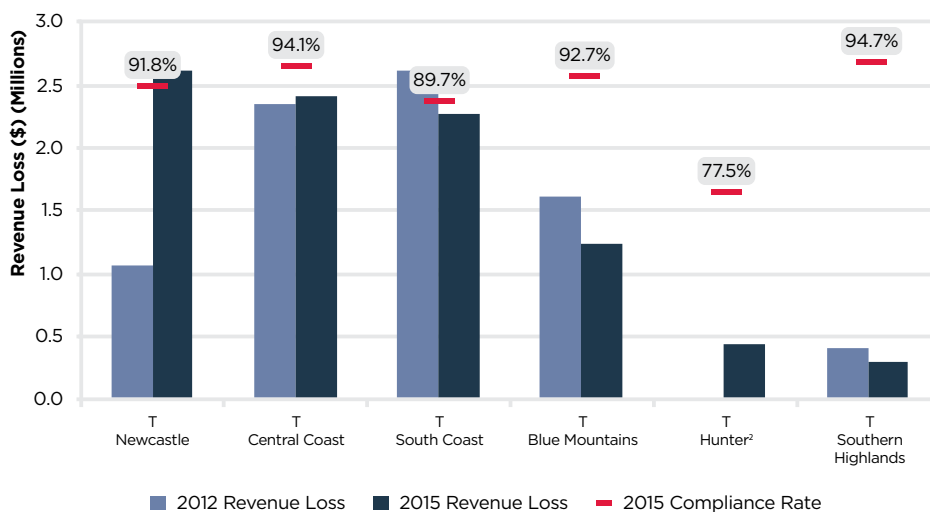
NSW Trains

NSW Trains Network Map - Fare compliance survey results



- NSW Trains **fare compliance is estimated to be 91.7%**, equivalent to the total rail network compliance rate of 91.7% from the 2012 survey.
- Compared with 2012 results, fare compliance improved across the majority of NSW Trains lines.
- The Newcastle line had a decrease in compliance of 2.0 percentage points, but has improved by 3.5 percentage points from November 2014.
- Fare compliance was lowest on the Hunter line (77.5%) and highest on the Southern Highlands line (94.7%).
- Estimated annual **revenue loss increased by \$1.3 million** from \$8.0 million in 2012 to \$9.3 million in 2015. The majority of this is due to an increase in the no ticket non-compliance category on the Newcastle and Central Coast lines. Also, the Hunter line was not surveyed in 2012 and was therefore not included in the 2012 revenue loss estimate.
- Compared with the 2014 results, the estimated annual revenue loss has decreased slightly. Estimated annual revenue loss was \$9.6 million in 2014.

Compliance rate and revenue loss for NSW Trains



2 The Hunter line was not surveyed in 2012.

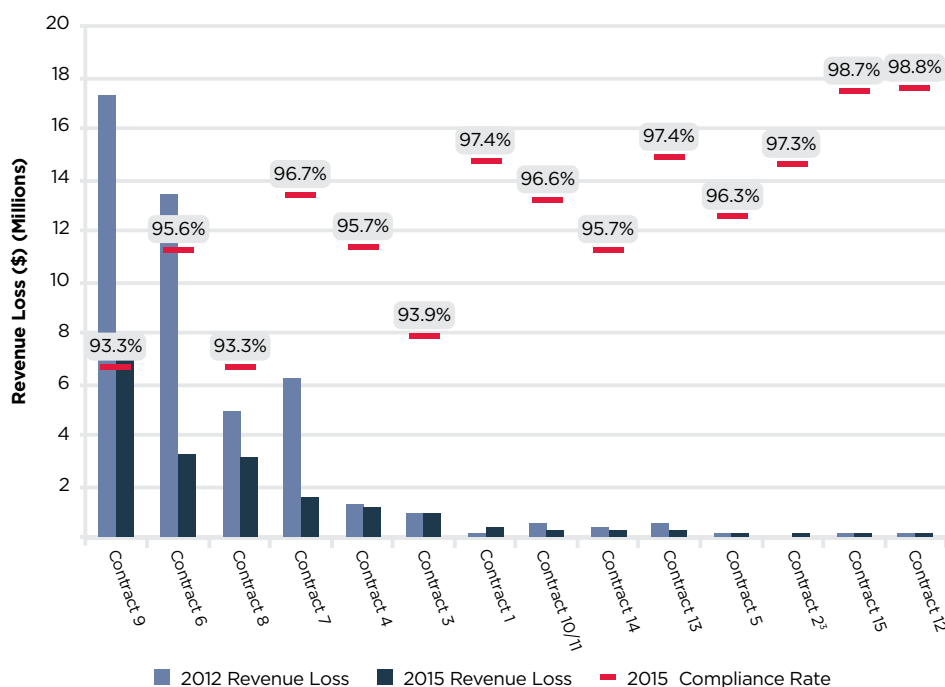
Sydney Buses

Sydney Buses Network – Fare compliance survey results

Contract	Area	2015 Operator	2012 Compliance Rate	2015 Compliance Rate	Change from 2012
1*	Penrith, Blacktown, Richmond	Busways	98.3%	97.4%	-0.9%
2*	Liverpool, Ingleburn, Campbelltown	Interline	-	97.3%	n/a
3*	Parramatta, Fairfield, Liverpool	Transit Systems	91.4%	93.9%	+2.5%
4	Hills District	Hillsbus	95.0%	95.7%	+0.7%
5	Bankstown, Hurstville, Roselands	Punchbowl Bus Co.	95.0%	96.3%	+1.3%
6	Inner West	Sydney Buses	79.2%	95.6%	+16.4%
7	North Sydney, Epping, Parramatta	Sydney Buses	83.7%	96.7%	+13.0%
8	Northern Beaches	Sydney Buses	86.4%	93.3%	+6.9%
9	Eastern Suburbs	Sydney Buses	81.1%	93.3%	+12.2%
10/11	Hurstville, Sutherland, Cronulla	Transdev NSW	93.4%	96.6%	+3.2%
12	Chatswood, Hornsby	Transdev NSW	95.6%	98.8%	+3.2%
13	Parramatta, Liverpool, Bankstown	Transdev NSW	93.2%	97.4%	+4.2%
14	Frenchs Forest, St Ives, Hornsby	Forest Coachlines	93.8%	95.7%	+1.9%
15*	Campbelltown, Camden, Macarthur	Busabout	97.5%	98.7%	+1.2%

* Note: Contracts 1, 2, 3 and 15 were under different operators in 2012.

Compliance rate and revenue loss for Sydney Metropolitan Bus Service Contracts (SMBSC)

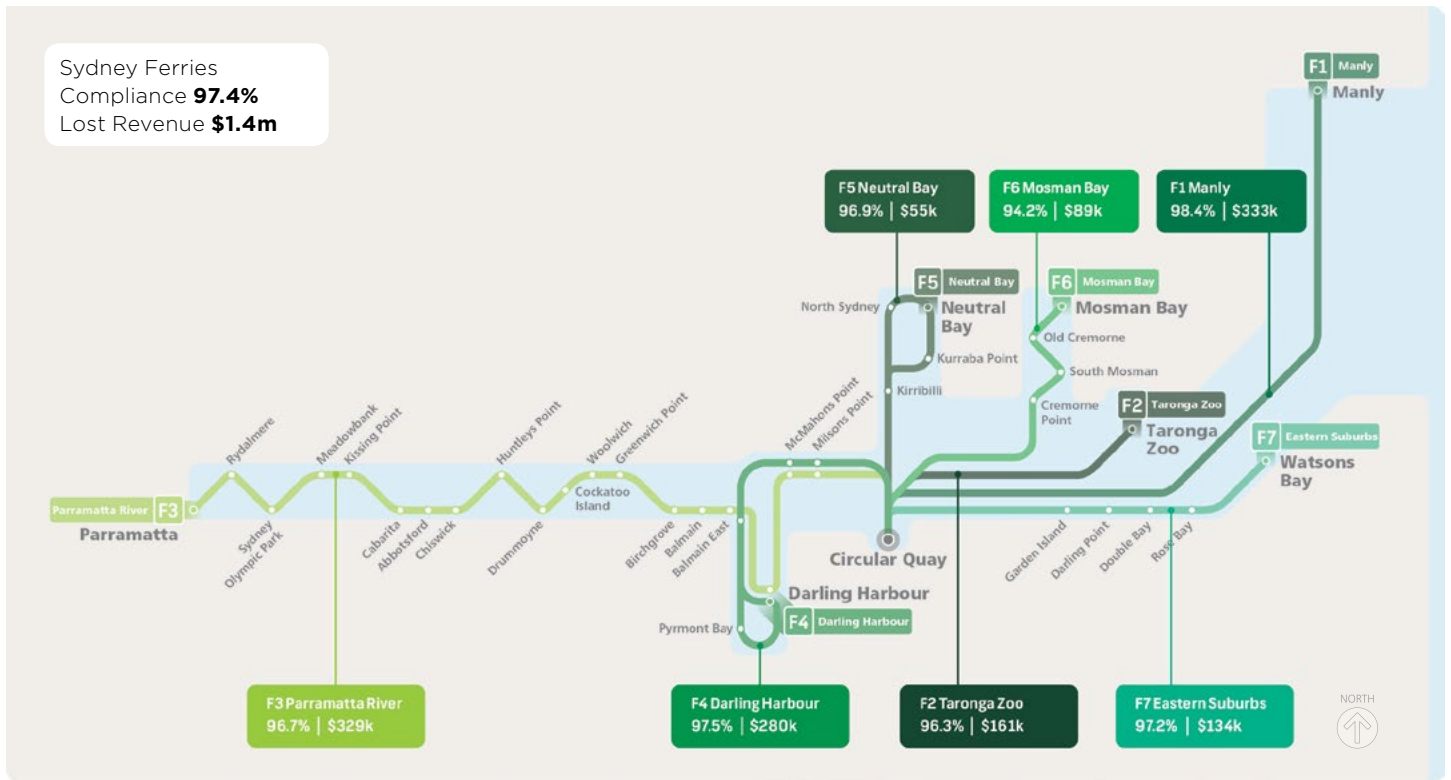


³ Fare compliance and revenue loss for Contract 2 were not estimated in 2012 due to low sample size

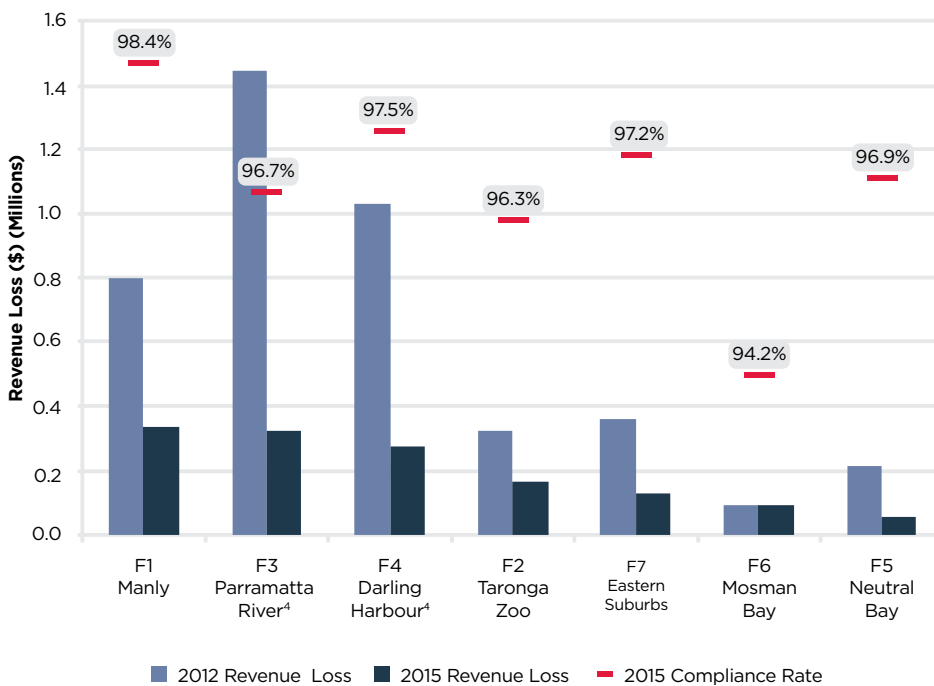
- Bus fare compliance is estimated to be 95.0%, an improvement of 10.3 percentage points compared with 2012.
- Compliance improved for 14 of 15 contracts, with only Contract 1 seeing a decrease in compliance rate of 0.9 percentage points. The compliance rate for Contract 1 is still high at 97.4%.
- Estimated annual revenue loss reduced by \$26.6 million from \$46.1 million in 2012 to \$19.5 million in 2015. Revenue loss from overriding has decreased from \$10 million in 2012 to \$0.4 million in 2015.
- The four largest contracts, **Contracts 6 to 9** (operated by Sydney Buses), **account for \$26.2 million of the reduced revenue loss**. These contracts continue to contribute 81% of the total revenue loss for bus (down from 91% in 2012).

Sydney Ferries

Sydney Ferries Network Map – Fare compliance survey results



Compliance rate and revenue loss for Sydney Ferries



⁴ In 2012, the number of non-compliant trips and associated revenue loss from Parramatta and Darling Harbour ferry services were estimated from one combined non-compliance rate. Revenue loss and number of non-compliant trips for these two services were proportioned based on patronage.

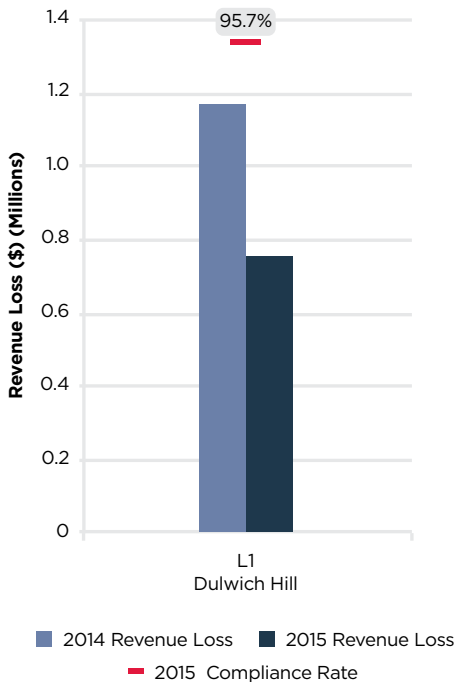
- Ferry fare compliance is estimated to be 97.4%, an improvement of 2.3 percentage points compared to 2012. This improvement is largely driven by a fall in the concession misuse category, down by two-thirds from 2.1% to 0.7%.
- Estimated annual revenue loss reduced by \$2.9 million from \$4.3 million in 2012 to \$1.4 million in 2015.
- Compared with 2012, fare compliance improved on all services other than the Mosman Bay service. Fare compliance for this service decreased by 2.9 percentage points, down to 94.2%, driven by an increase in the no ticket non-compliance category from 0.8% to 4.8%.

Light Rail

Light Rail Network Map – Fare compliance survey results



Compliance rate and revenue loss for Sydney Light Rail



- Light rail **fare compliance is estimated to be 95.7%, up 2.2 percentage points** compared with 2014. Light rail was not surveyed in 2012.
- Estimated annual **revenue loss reduced by \$0.4 million** from \$1.2 million in 2014 to \$0.8 million in 2015.
- Non-compliance is higher on weekends than on weekdays (5.2% compared with 4.0%). On weekdays, non-compliance was the highest during the PM peak (5.8%).



Summary of compliance and revenue loss for all modes

Mode	2012 Revenue Loss (\$ '000)	2012 Compliance (%)	2015 Revenue Loss (\$ '000)	2015 Compliance (%)
Sydney Trains				
T1 - North Shore	12,390	92.1%	7,160	95.3%
T1 - Northern	6,340	92.1%	3,240	96.2%
T1 - Western	16,880	91.1%	11,260	95.2%
T2 - Airport*	12,410	91.5%	6,640	94.6%
T2 - Inner West	6,350	92.9%	4,080	95.7%
T2 - South	3,550	93.8%	3,490	93.5%
T3 - Bankstown	5,720	91.2%	4,710	90.9%
T4 - Eastern Suburbs	6,250	89.0%	1,440	96.8%
T4 - Illawarra	10,370	91.6%	6,040	93.9%
T6 - Carlingford	230	84.7%	140	88.6%
T7 - Olympic Park	630	86.8%	320	93.5%
Total Sydney Trains	81,130	-	48,530	94.8%
NSW Trains				
T - Blue Mountains	1,600	90.6%	1,230	92.7%
T - Central Coast	2,350	93.4%	2,410	94.1%
T - Hunter	-	-	440	77.5%
T - Newcastle	1,060	93.7%	2,620	91.8%
T - South Coast	2,620	89.2%	2,270	89.7%
T - Southern Highlands	400	89.0%	290	94.7%
Total NSW Trains	8,030	-	9,250	91.7%
TOTAL TRAIN	89,160	91.7%	57,780	94.6%
Buses				
1 - Penrith, Blacktown, Richmond	170	98.3%	440	97.4%
2 - Liverpool, Ingleburn, Campbelltown	-	-	110	97.3%
3 - Parramatta, Fairfield, Liverpool	980	91.4%	940	93.9%
4 - Hills District	1,290	95.0%	1,230	95.7%
5 - Bankstown, Hurstville, Roselands	200	95.0%	150	96.3%
6 - Inner West	13,500	79.2%	3,240	95.6%
7 - North Sydney, Epping, Parramatta	6,180	83.7%	1,580	96.7%
8 - Northern Beaches	4,930	86.4%	3,080	93.3%
9 - Eastern Suburbs	17,320	81.1%	7,840	93.3%
10/11 - Hurstville, Sutherland, Cronulla	500	93.4%	300	96.6%
12 - Chatswood, Hornsby	110	95.6%	40	98.8%
13 - Parramatta, Liverpool, Bankstown	530	93.2%	260	97.4%
14 - Frenchs Forest, St Ives, Hornsby	370	93.8%	290	95.7%
15 - Campbelltown, Camden, Macarthur	80	97.5%	50	98.7%
TOTAL BUS	46,160	84.7%	19,540	95.0%
Ferry				
F1 - Manly	800	97.6%	330	98.4%
F2 - Taronga Zoo	330	94.8%	160	96.3%
F3 - Parramatta River	1,440	92.0%	330	96.7%
F4 - Darling Harbour	1,030	92.0%	280	97.5%
F5 - Neutral Bay	210	92.5%	50	96.9%
F6 - Mosman Bay	90	97.0%	90	94.2%
F7 - Eastern Suburbs	360	95.3%	130	97.2%
TOTAL FERRY	4,270	95.1%	1,380	97.4%
Light Rail				
TOTAL LIGHT RAIL	-	-	760	95.7%