

Projects

Fare incentives and discounting review

Designing a consistent and equitable fare incentive structure for Queensland's public transport future.



LOCATION

Queensland

CLIENT

Department of Transport and Main Roads

PRICING

Background

The Queensland Department of Transport and Main Roads (DTMR) planned to roll out a new account-based Smart Ticketing system across South East Queensland (SEQ) and regional urban centres. This transition presented a unique opportunity to harmonise fare products and incentive structures across the state, which, at the time, differed significantly between SEQ and regional areas. SEQ has operated under a unified fare system since 2004, while regional centres follow varied approaches under the qconnect framework.

To support this transition, DTMR engaged NineSquared to conduct a comprehensive review of fare incentives and discounting options. The aim was to inform decisions about future fare products and ensure the new system leverages Smart Ticketing functionality to deliver consistent, equitable, and operationally efficient outcomes across Queensland.

Our role

NineSquared was commissioned to analyse the current fare structures, assess national and international best practices, and develop feasible options for aligning fare incentives across SEQ and regional Queensland. The engagement involved:

- **Comparative analysis** of fare products, pricing strategies, and incentive structures across Australian jurisdictions and global benchmarks using NineSquared's fares database.
- **Evaluation of existing products** such as trip-based caps, periodical passes, multi-trip tickets, and off-peak discounts, with a focus on their applicability under Smart Ticketing.
- **Modelling customer impacts** using SEQ smartcard data and extrapolating to regional contexts to estimate the effects of proposed changes.

- **Policy alignment assessment**, mapping fare options against organisational objectives such as affordability, simplicity, equity, and financial sustainability.

Key findings included:

- The then current SEQ “8 and 50%” trip-based cap was fit for purpose and can be extended to regional areas.
- Off-peak discounts are less relevant in regional centres due to lower peak demand but may be justified on equity grounds.
- Daily tickets are popular in regional areas, especially among concession holders, and require careful consideration during transition.
- A uniform pricing structure is recommended for simplicity and deliverability, with smartcard incentives to encourage uptake of digital payment methods.

NineSquared proposed a phased transition strategy aligned with the Smart Ticketing rollout, allowing for data collection, customer engagement, and policy refinement. This approach ensures minimal disruption while enabling long-term optimisation of fare products.

FOR FURTHER INFORMATION

For more information, find one of our experts at ninesquared.com.au/people