



Transport
for NSW

Motorway Tolling: Customer research and data analysis

Executive Summary

Background

- Transport for NSW (TfNSW) commissioned TNS to undertake research to understand how customers evaluate, contextualise and respond to tolls, in particular:
 - What are customers' current attitudes towards Sydney roads and Toll roads
 - What is the current toll spend and usage profile?
 - What are customers' attitudes to and demand response for tolls?
- The research consisted of a qualitative and quantitative stage:
 - The qualitative stage consisted of 6 focus groups and 4 in-depth interviews.
 - The quantitative stage consisted of an online survey with frequent toll road users (use at least once a week). Total sample size was 1,317.
- One month of RMS E-toll data (from August 2016) has been analysed to show spending patterns.

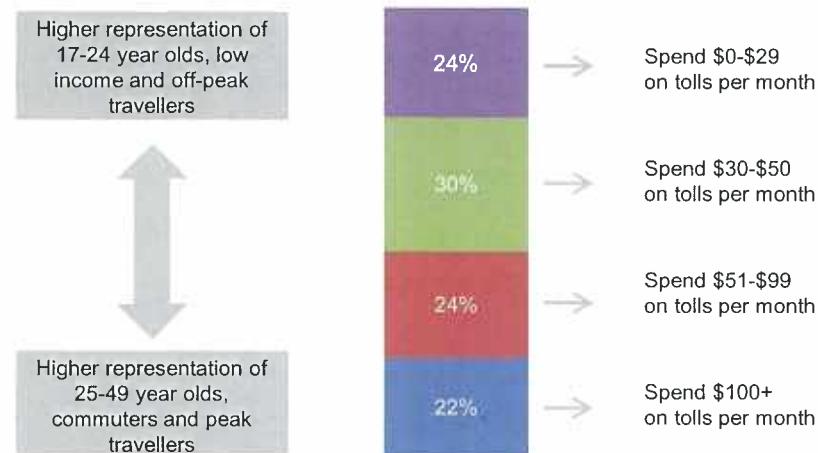
Customer Research – key findings on attitudes and behaviors

- **Habit a major influence on route choice**
 - For common journeys, little thought goes in to route selection – desire is for quickest route
 - Strong desire to avoid congestion, but many feel they are “hostage” to peak periods
- **Frustration at growing congestion**
 - General consensus that congestion on Sydney roads is increasing, and this is a major frustration for the majority of drivers.
 - All road types are rated poorly for congestion, in particular arterial (main) roads
 - 73% sometimes use “rat-runs” to avoid congestion
 - 9 in 10 check Mobile apps such as Google maps for congestion “some of the time” (1 in 4 always)
- **Support for improvement to the motorway network**
 - 66% believe that Sydney’s motorways do not currently link up as an effective network
 - 72% agree that Sydney needs more motorways to improve traffic flow and congestion
 - 59% in favour of new toll roads to make getting around Sydney easier
- **Strong link between paying a toll and expectations of saving travel time**
 - 84% use a toll road to save time
 - 86% resent paying tolls if the road turns out to be congested
 - 68% in favour of toll road charges varying with traffic levels if it ensures free flow of traffic and reliable travel time savings

Customer Research – key findings on current usage and spend

- Those who use toll roads at least once a week, use on average 3.1 different toll roads
- **Frequency of use of toll roads strongly linked to trip purpose**
 - The frequency of use of toll roads is strongly linked to trip purpose, with trips closer to home (shopping, errands, school runs) least likely to be toll road trips, and commuter and work related trips more likely to be toll road trips.
 - Higher frequency users are commuters, males and peak travellers, while those using toll roads for social and recreational purposes do so less frequently.

- 24% of weekly toll road users spend \$29 or less a month
- 22% spend \$100 or more a month
- 38% think about their toll expenditure daily, while 27% only think about it when they get their statement, or “not at all”

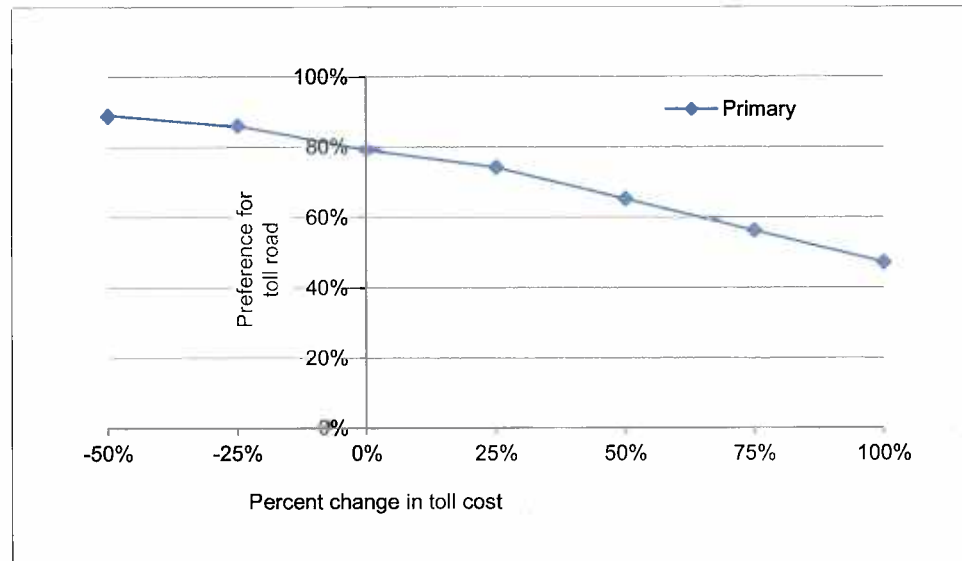


Customer Research – key findings on pricing and value

- Despite the frequent use of toll roads by respondents in the research, there is **low level of understanding of toll pricing** (although that doesn't mean cost is not important).
 - 57% don't know exactly what each of the toll roads they use regularly costs
 - Only 19% believe they know how toll charges are calculated
 - Only 13% say it is easy to understand how toll roads charges are calculated
- **The primary benefit of toll roads is time saving, particularly when customers have a deadline**
 - 84% use a toll road to save time
 - 81% say they are more likely to use a toll road when they have a deadline to be somewhere
 - 54% say they try to avoid a toll road unless they are really in a hurry
 - For this reason frustration occurs when toll roads are congested (all cost with no benefit), with 86% saying they "resent paying a toll if the toll road turns out to be congested"

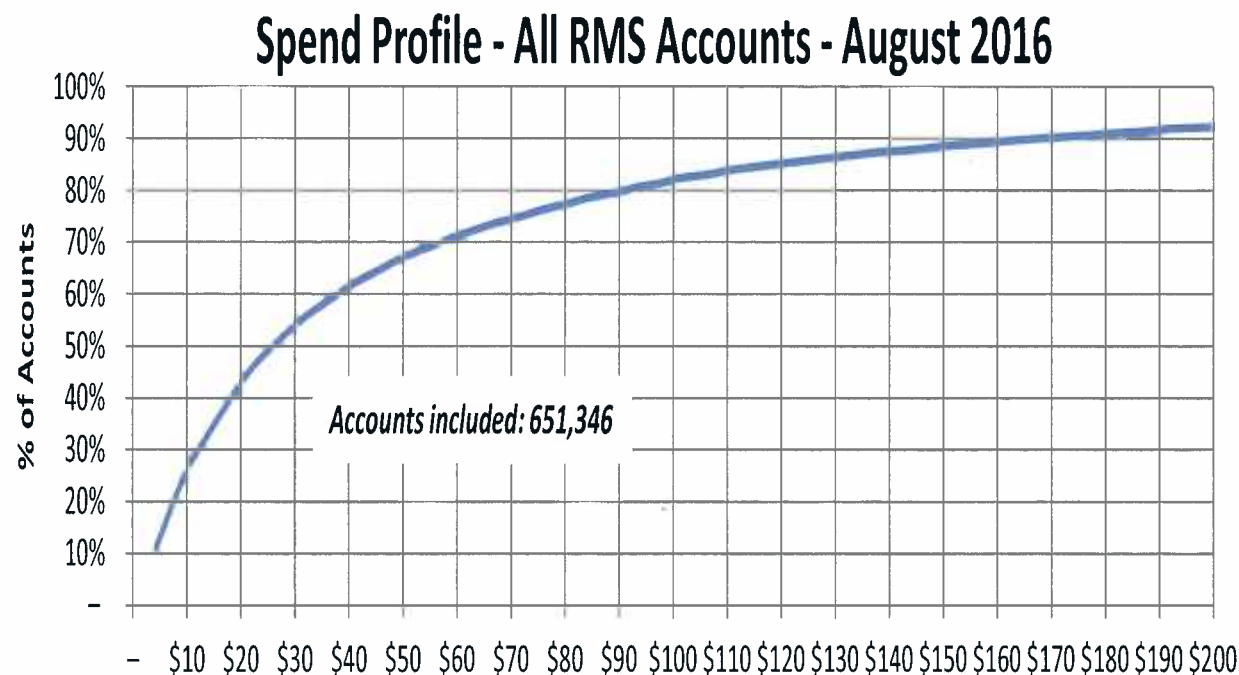
Customer Research – key findings on pricing and value

- The research found that motorists who regularly use toll roads are **largely insensitive to toll charge changes** and they had a strong preference for toll roads.



- The research found **price elasticity of -0.2 to -0.4 per cent** which is consistent with previous academic and other research.

RMS E-toll Accounts: Cumulative spend analysis



Source: RMS E-toll data for
August 2016

Toll spend for majority
of active RMS E-toll
account holders low in
the month of August

40% spent less than
\$20 in the month

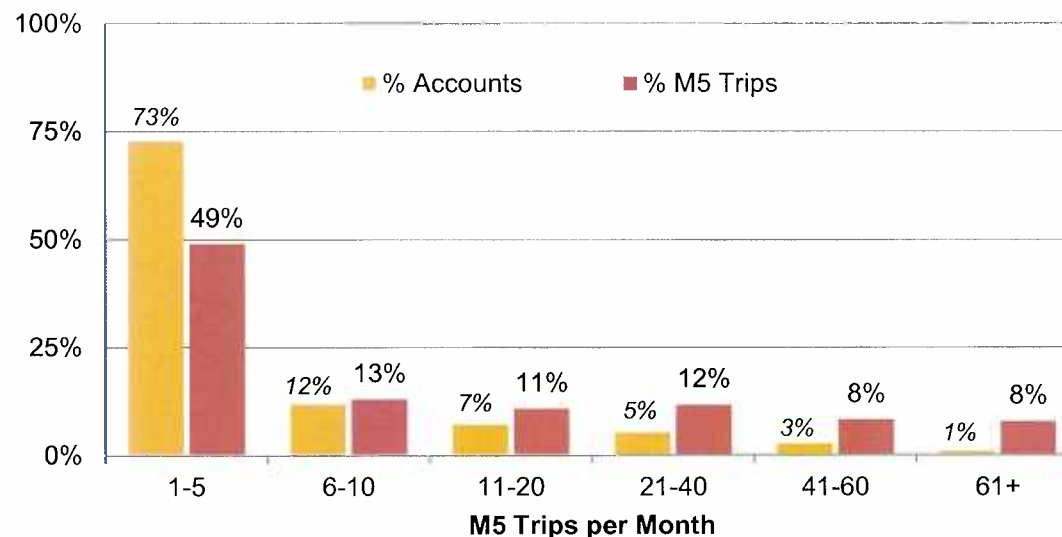
Nearly 70% spent less
than \$50 a month on
tolls

However, there is a
small group who have a
high toll spend for
example around 10%
spent more than \$200
in August

RMS E-toll Accounts: Distribution of M5 usage

Looking at specific M5 activity, analysis shows that the vast majority of account holders who use the M5 do so infrequently

- 73% of accounts make 1-5 trips a month accounting for around half of all trips
- Heavy users (greater than 40 trips in a month) represent only 4% of account holders but make 16% of total trips
- This suggests that very few users are full time (ie 5 days a week) commuters on the M5 – less than 10% of account holders
- Only 4% of account holders (9,000 accounts) make 41+ trips in a month



Note: analysis based on one month of RMS E-toll data (August 2016) which represents 33% of total M5 trips profile of trips for other tag providers may therefore differ