



City of Hamilton Report for Information

To: Chair and Members
Public Works Committee

Date: April 7, 2025

Report No: PW23024(c)

Subject/Title: Hamilton Street Railway (HSR) Fare Policies
(Outstanding Business List)

Ward(s) Affected: City Wide

Recommendations

That Report PW23024(c) respecting Hamilton Street Railway (HSR) Fare Policies **BE RECEIVED** for information.

Key Facts

- This report provides a summary of various program measures, such as ridership, costs, and effectiveness about the Fare Assist Program one year after implementation.
- The data gathered to date indicates that people are appreciative of the 30% discount on transit trips to address transit affordability and that continuous outreach to drive program enrolment is required.
- A final report regarding the status of the Fare Assist Program will be presented during the 2026 budget process.

Financial Considerations

N/A

Background

This report closes an Outstanding Business Item, arising from the July 12, 2023 Public Works Committee meeting. Report PW23024(a) Hamilton Street Railway (HSR) Fare Policies recommendation (e): That staff report back no later than March 2025 to provide

a status update of the Fare Assist Program, including ridership, costs, and effectiveness.

Analysis

The Fare Assist Program began on January 1, 2024, and has been operational for one full year. The summary information presented below is as of December 31, 2024.

1. Applications

7,052 Hamiltonians now benefit from the 30% discount on transit travel after 4,105 households were approved for the Fare Assist Program. Children 12 and under, who travel for free under a separate policy, make up 16% of the Fare Assist Program participants. The average household size is 1.72 people.

The flow of applications slowed in the Fall. Since 2024 was the first year of the program, it is unknown if this is a seasonal dip or due to other factors. Application levels will be monitored closely in 2025.

2. Redemption Rates

Of the 5,889 people approved for the Fare Assist Program discount, 69% (or 4,090 people) have registered their PRESTO card and loaded the discount code. When staff reached out directly to determine why a voucher has not been redeemed and offered help, staff found that some households have a vehicle available. As such, not every member of the household needs transit and not every trip taken in a household is done by transit. This suggests that people registered for the program to access the discount when (or if) travelling by transit, but this may not be their primary mode of travel. Alternatively, while the application covers all members of the household, not all members of the household travel on transit.

3. Utilization Rates

The original assumptions for the program expected that approved applicants would depend on transit and that transit would be their main mode of travel. However, the data shows that only 68% (or 2,783 of the 4,090 people) who loaded the discount use transit monthly.

4. Year 1 Ridership

A total of 415,681 discounted trips have been taken since the beginning of the program, with 15,714 (3.8%) taken using Accessible Transportation Services. The remaining 399,967 trips taken represents 1.8% of the total HSR ridership. The total revenue from these rides is \$660,000 with a subsidy of \$288,000.

Customers who experienced affordability issues, including those who may have used the suspended programs, were encouraged to seek out social agencies to assist with their transportation costs. Social agencies can purchase tickets to support their client's transportation needs. In 2024, 318,369 tickets were redeemed through the farebox. A total of 72,742 tickets were redeemed, which is a 29.6% increase than 2023. At present, there is no information available to determine how many individuals this represents. As

part of the project plan for 2025, a survey will be sent to the social agencies to help the Transit Division better understand the customers social agencies are supporting.

These two groups combined (Fare Assist Program trip-takers and social agency ticket users) account for 3.4% of the total HSR ridership reported for 2024.

The original estimate for program uptake used the Statistics Canada data for residents at or below the Low-Income Measure. Based on this data, it was estimated that 8,956 residents would qualify for and use the Fare Assist Program and that this group would represent 13.8% of total HSR annual ridership, or 3,124,921 trips. This estimate was made based on the assumption that low-income residents rely on transit at a higher rate than other income groups and assumed that entire households would travel by transit. The low uptake compared to number of eligible Hamiltonian households suggests that the mode of travel assumptions about how low-income individuals rely on transit may be incorrect. The remainder of the report highlights the additional insights gained since Report PW23024(b) Hamilton Street Railway (HSR) Fare Policies was presented on October 15, 2024.

5. Program Satisfaction

Between August 9 and December 31, 1,110 surveys were issued to households approved for the Fare Assist Program, with 226 surveys (20%) completed to date, which meets the minimum target set and is consistent with the previous response rate.

The recent survey responses show an increase in satisfaction and positive feedback compared to earlier results, with 93% (up from 87%) of respondents expressing satisfaction, 91% (up from 82%) appreciating the discount associated with the Fare Assist Program, and 93% (up from 90%) willing to recommend the program to others.

The survey data includes 74 responses (7%) from persons identifying as having a disability.

The higher satisfaction rates compared to the previous results suggest that the Fare Assist Program is resonating well with participants, particularly in terms of the financial benefit gained from the 30% discount. Additionally, the improvement in satisfaction from previous program users indicates that process improvements implemented earlier in the program have been effective.

6. Focus Group Feedback

Six focus groups were conducted in late 2024 and early 2025 to gather additional insights into the challenges and successes of the Fare Assist Program, with a total of twenty-two (22) participants. These sessions provided an opportunity to dive deeper into the experiences of participants highlighting areas of improvement and identifying factors that contributed to the program's success. The feedback from these focus groups, combined with survey data, offers valuable perspectives on the program's impact and areas where adjustments could enhance its accessibility and effectiveness. Key themes include the need for improved communication, PRESTO usability training, simplified processes, and expanded outreach efforts.

Below is a summary of the findings from the focus groups:

- Awareness of the program was mostly driven by email communication, followed by community referrals and transit advertisements. However, issues such as broken links and participants mistaking emails for spam were noted. To improve awareness, multiple communication channels should be used, including community organizations, social media, and posters. This aligns with several of the tactics currently used by HSR to promote the Fare Assist Program.
- While many participants found the application process straightforward, others faced challenges, particularly with online application links, unclear income documentation, and digital literacy. Simplifying forms, offering clearer instructions, and providing in-person support were recommended by participants.
- Experienced PRESTO users found it easy to activate the discount, while new users struggled with understanding the voucher system. Participants suggested in-person and online PRESTO workshops to help new users.
- Long-term use of PRESTO revealed that while the 30% discount was appreciated, the two-hour transfer window was seen as restrictive, and many were unaware of the loyalty program (free travel after 11 trips Monday - Sunday) highlighting the need for more training on all HSR fare policies.

7. Customer Feedback

A total of 57 customer contacts regarding the Fare Assist Program were received by Transit Customer Care for the timeframe of August to December 2024. Many of the contacts were related to PRESTO operability. Other inquiries included questions about eligibility and how to apply for the program. These contacts are similar to feedback received through the customer survey and focus groups. No complaints about the program were received during this timeframe.

8. Outreach and Communication

In addition to the significant outreach completed in the early phase of the pilot, information about the Fare Assist Program continues to be included in every issue of Bus News. In October and November, HSR staff engaged with 120 customers at the Central Library, where they provided information and assisted with application processing, supported by Special Support Services staff.

A survey was distributed to the HSR customer panel in early January 2025 to understand how customers perceive and interact with the Fare Assist Program. The responses provide valuable insights into the level of awareness within the community and highlight key areas where communication and program accessibility can be improved. Of note, HSR customer panel members receive information updates about HSR service and programs directly to their email; however, the responses in the survey highlight that more than 50% of the respondents were not familiar or only slightly familiar with the Fare Assist Program.

Summary of Analysis

- **Ridership:** The Fare Assist Program resulted in 415,681 discounted trips in its first year, representing 1.8% of total HSR ridership. While the uptake was lower than expected, with only 68% of those who loaded the discount using transit

monthly, suggesting that many participants use transit as a secondary mode of travel.

- **Cost:** The program generated \$660,000 in revenue, with a subsidy cost of \$288,000. Additional fare revenue came from social agencies purchasing and distributing transit tickets, with a 29.6% increase in ticket redemptions compared to 2023.
- **Effectiveness of the Program:** While overall ridership under the program was lower than anticipated, participant satisfaction was high, with 93% of surveyed users appreciating the discount and recommending the program. The report highlights the need for continued outreach, improved communication, and process simplifications to increase participation and program impact.

Next Steps

As the pilot moves into the final stages, staff will continue to make improvements to simplify processes and improve communication in response to feedback received from customers. Additional outreach will work to remove the barriers to get households to apply and to redeem their vouchers.

A final report will be presented during the 2026 budget process with recommendations regarding the status of the Fare Assist Program.

Alternatives

N/A

Relationship to Council Strategic Priorities

The Fare Assist Program supports Priority 3 “Responsiveness & Transparency”, item 3.1: “Prioritize customer service and proactive communication”. Staff continue to be responsive to input regarding the Fare Assist Program to improve the clarity, legibility, availability, and accessibility of all Transit Division communications, and products, ensuring they are easily understood and accessible to everyone we serve.

Previous Reports Submitted

[Hamilton Street Railway \(HSR\) Fare Policies \(PW23024\(b\)\) \(City Wide\) October 15, 2024](#)

[Hamilton Street Railway \(HSR\) Fare Policies \(PW23024\(a\)\), \(City Wide\) July 12, 2023](#)

[Hamilton Street Railway \(HSR\) Fare Policies \(PW23024\) \(City Wide\) April 3, 2023](#)

Consultation

N/A

Appendices and Schedules Attached

N/A

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