

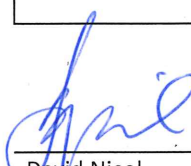
2016 Policy Commitment – ACT Labor

Name of Commitment:	Free concessional bus travel - trial	Reference Number: LAB002
Request Submitted by:	Andrew Barr MLA, ACT Labor	
Date Request Received:	12-Sep-16	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2016-17	2017-18	2018-19	2019-20	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	-278.7	-285.3	0.0	0.0	-564.0
- Other Revenue	0.0	0.0	0.0	0.0	0.0
- Revenue Forgone	-278.7	-285.3	0.0	0.0	-564.0
Expenses ^{(a) (b)}	-0.1	-0.3	-0.3	-0.3	-0.9
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	0.0	0.0	0.0
- Cost of Financing	-0.1	-0.3	-0.3	-0.3	-0.9
Expenses – Depreciation	0.0	-10.0	0.0	0.0	-10.0
Net Operating Balance	-278.8	-295.6	-0.3	-0.3	-574.9
Capital Requirement	-10.0	0.0	0.0	0.0	-10.0
Cash Surplus/Deficit	-288.8	-285.6	-0.3	-0.3	-574.9

(a) A negative number indicates a decrease in revenue or an increase in expenses.
(b) Excludes depreciation expenses.

Other Information
Costing Methodology Used:
- Costing Technique:
Treasury has costed this commitment as two separate components: <ul style="list-style-type: none"> • the revenue forgone, has been costed as the loss of current fare revenue based on MyWay data; and • the capital cost for system enhancements has been based on an agency estimate.
- Proposal Parameters:
The costing is based on a one year trial from 1 January 2017 through to 31 December 2017. The cost of financing has been calculated at 2.5 per cent. The system enhancement has been fully depreciated at the conclusion of the trial. The costing includes revenue forgone for seniors card holders and concessional passengers (excluding school and tertiary students). Treasury has costed this policy based on the reinstatement of fares for concessional passengers following the completion of the trial on 31 December 2017.
Caveats or qualifications to the costing:
N/A
Other Comments:
N/A
- Statistical Data Used:
Agency estimates and MyWay fare collection and patronage data.



David Nicol
Under Treasurer
22 September 2016