

Request for Costing an Election Commitment

Name of policy proposal:	Free concessional bus travel - trial
Person requesting costing:	Andrew Barr MLA, ACT Labor
Date of request:	10/9/2016
Summary of proposal:	ACT Labor will trial for one year concession card holders travelling free on ACTION buses between 9:45am and 4:15pm on weekdays.
Issue the proposal will address:	The proposal will provide additional support for concession card holders to travel.

What are the key assumptions that have been made in the proposal?

Note: The costing will developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

- The trial would run from 1 January 2017 to 31 December 2017.
- The costing includes free travel only for concessional passengers (including senior card holders) - excluding school and tertiary students.
- The costing has been determined using the revenue collected from ACTION concessional passengers indexed by growth in patronage of 1.5 per cent per annum. It does not assume any behaviour effects generated by free travel.
- The costing is based on the current fare structure.
- The capital requirement is a provision to allow for any upgrades to the MyWay system to implement the policy. Expenses include cost of finance rounded to one decimal point.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)	-279	-285			-564
Expenses^(a)	-0.3	-0.3	-0.3	-0.3	-1.0
Capital	-10				-10
Depreciation					

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?

N/A

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Demand driven.

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements (for example, does an education proposal add to or redirect NERA funding)?

No – other than the Commonwealth setting eligibility for concession card holders.

Will funding/the cost require indexation?	No.
Who will administer the proposal?	TCCS will meet any administration costs from internal resources.
How will the proposal be administered?	Through TCCS/ ACTION.
Is the proposal part of a broader package?	No.
Has an allowance been made for expenses necessary to support the implementation of this proposal? <ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions. 	No. See above regarding TCCS internal resources.
Will the proposal generate savings or offsets?	No.
Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?	No.
What are the community impacts associated with the proposal? Who and how many people will be affected?	Canberra concession card holders will be able to move around the city more easily and cheaply.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?	N/A
What is the intended implementation date of the proposal?	1 January 2017.
When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc?	Start date 1 January 2017, and end 31 December 2017.
Will the proposal cease, and if so, when?	31 December 2017.
Is there any additional information relevant to this proposal?	N/A