

Optimal fares inputs sensitivity

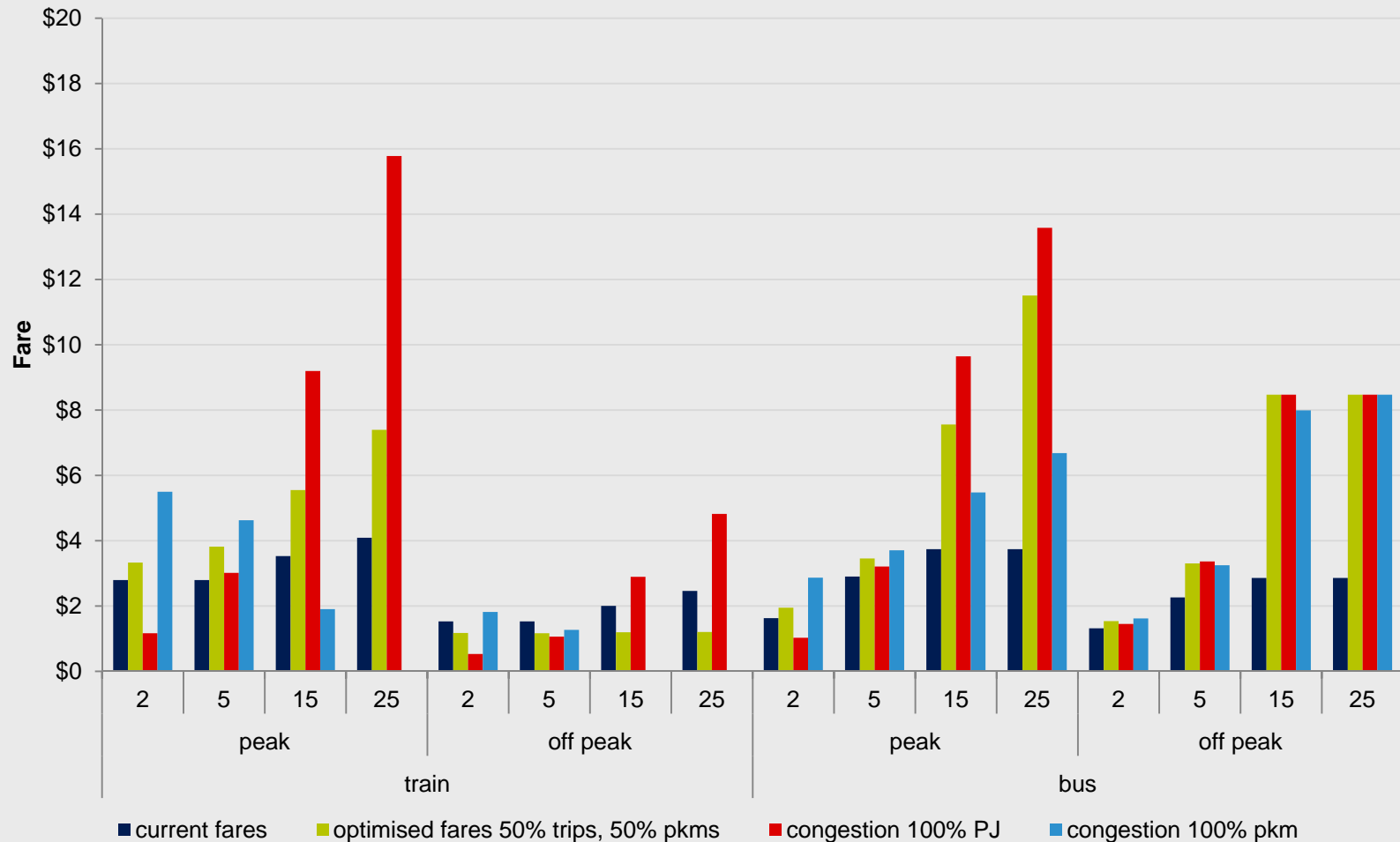
Draft Information Paper 11

Sensitivities analysed

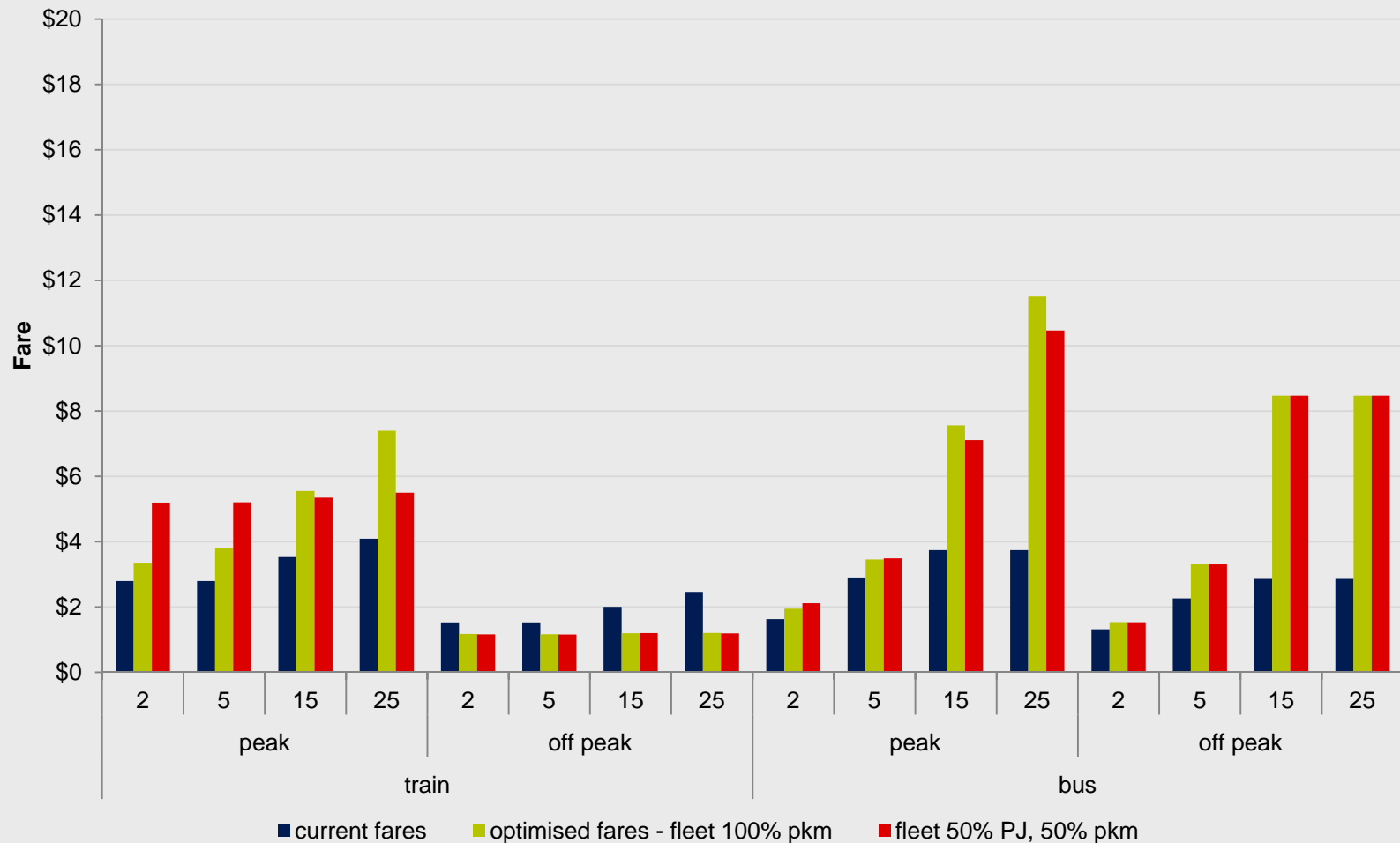
We analysed the sensitivity of our draft socially optimal fares to the following inputs:

- ▼ Congestion reduction benefits allocated on a 100% passenger journey (PJ) basis and on a 100% passenger km (pkm) basis
- ▼ Fleet costs allocated on a 100% pkm basis and a 50% pkm, 50% PJ basis
- ▼ Corporate overheads allocated on a 100% capacity costs and 100% usage costs
- ▼ Scale/frequency benefits included for buses and not included for buses
- ▼ Time-switching elasticities of -0.1, -0.05 and -0.3
- ▼ A range of own-price elasticities for each mode from -0.2 to -0.6
- ▼ Estimate of medium run marginal financial cost (MFC) +/- 20%
- ▼ Estimate of external benefits +/- 20%
- ▼ Estimates of long run marginal financial cost (LRMFC)

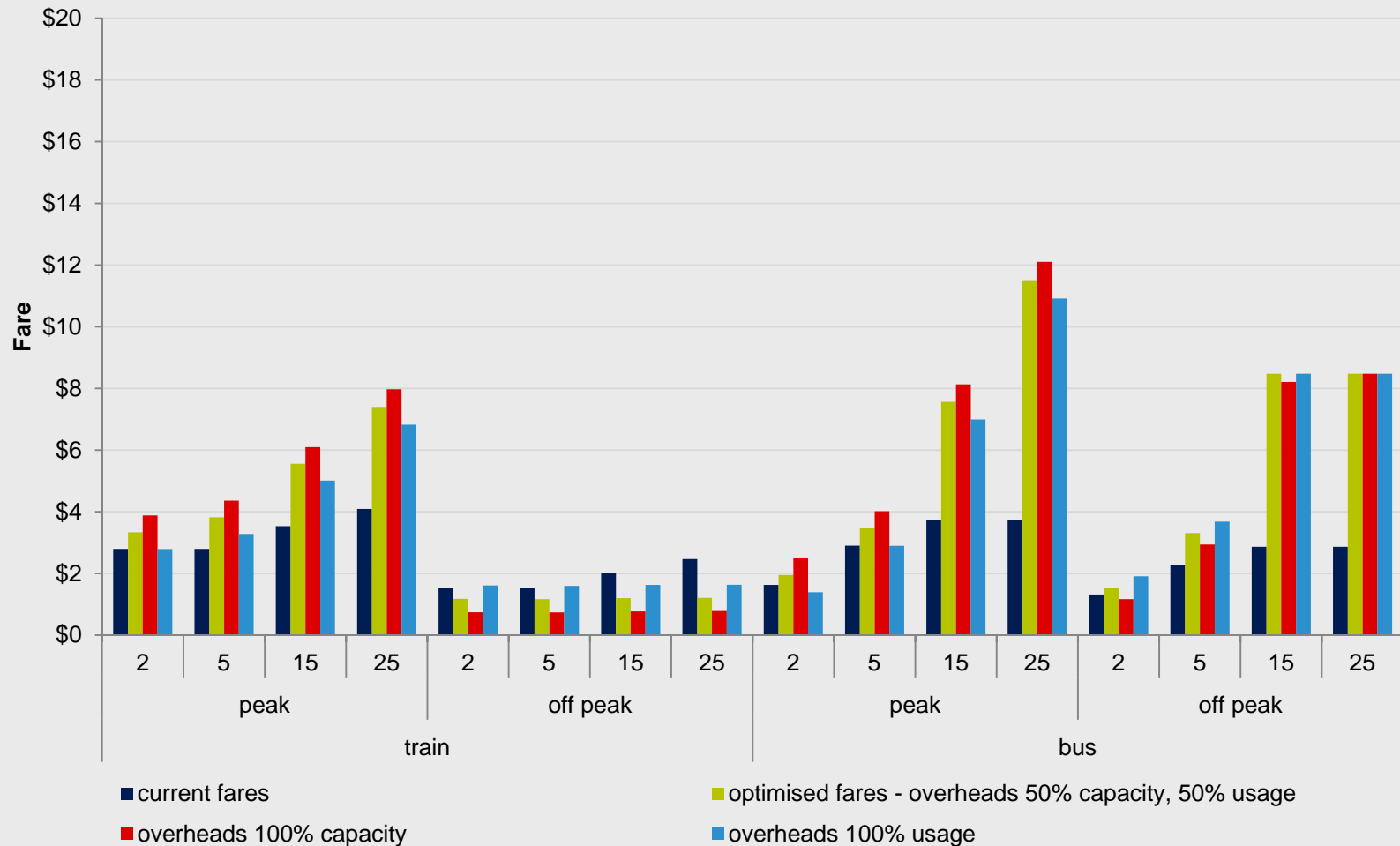
Sensitivity to congestion reduction benefits to PJ or pkm



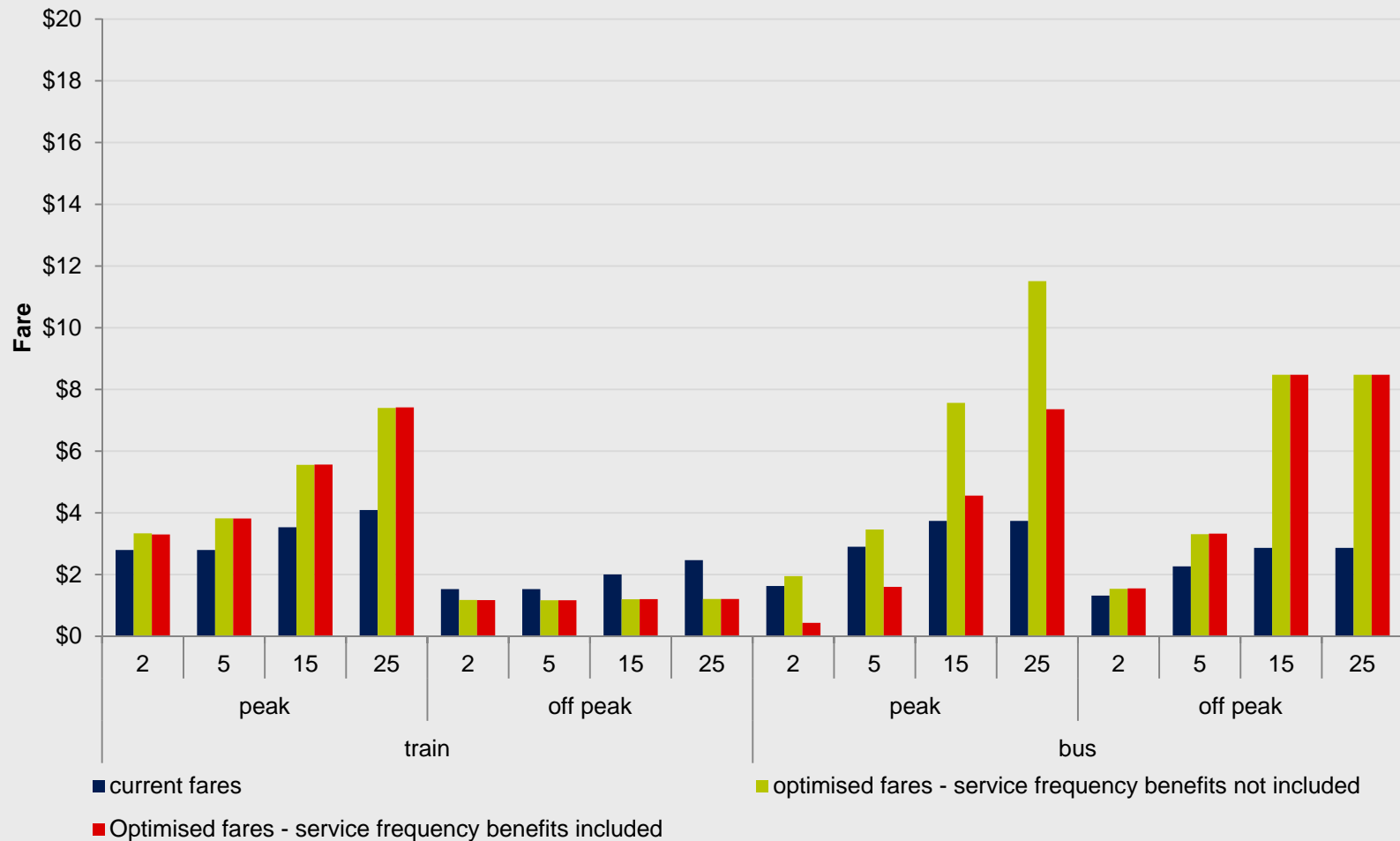
Sensitivity to fleet costs allocated to PJ or pkm



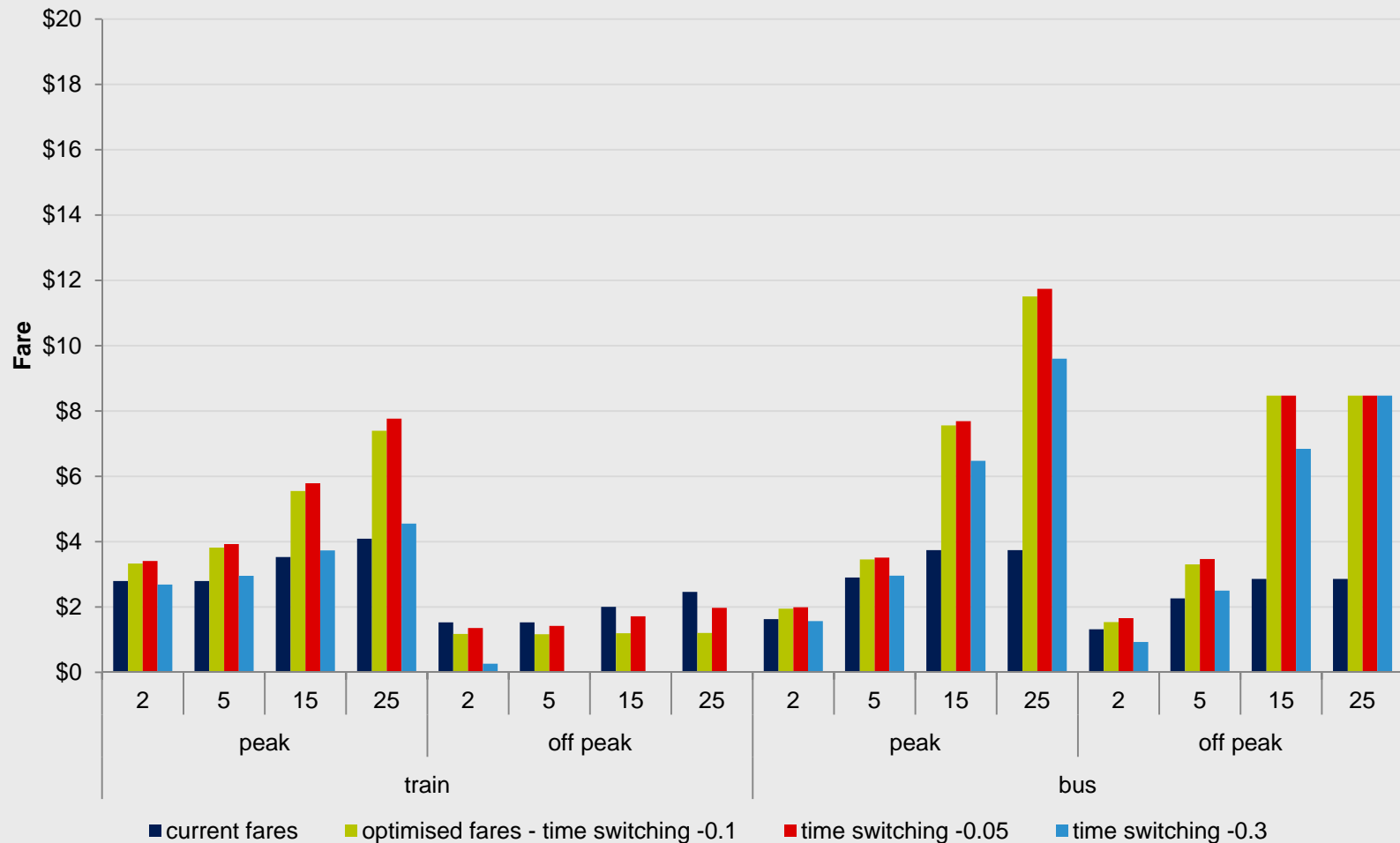
Sensitivity to corporate overheads allocated to capacity or usage costs



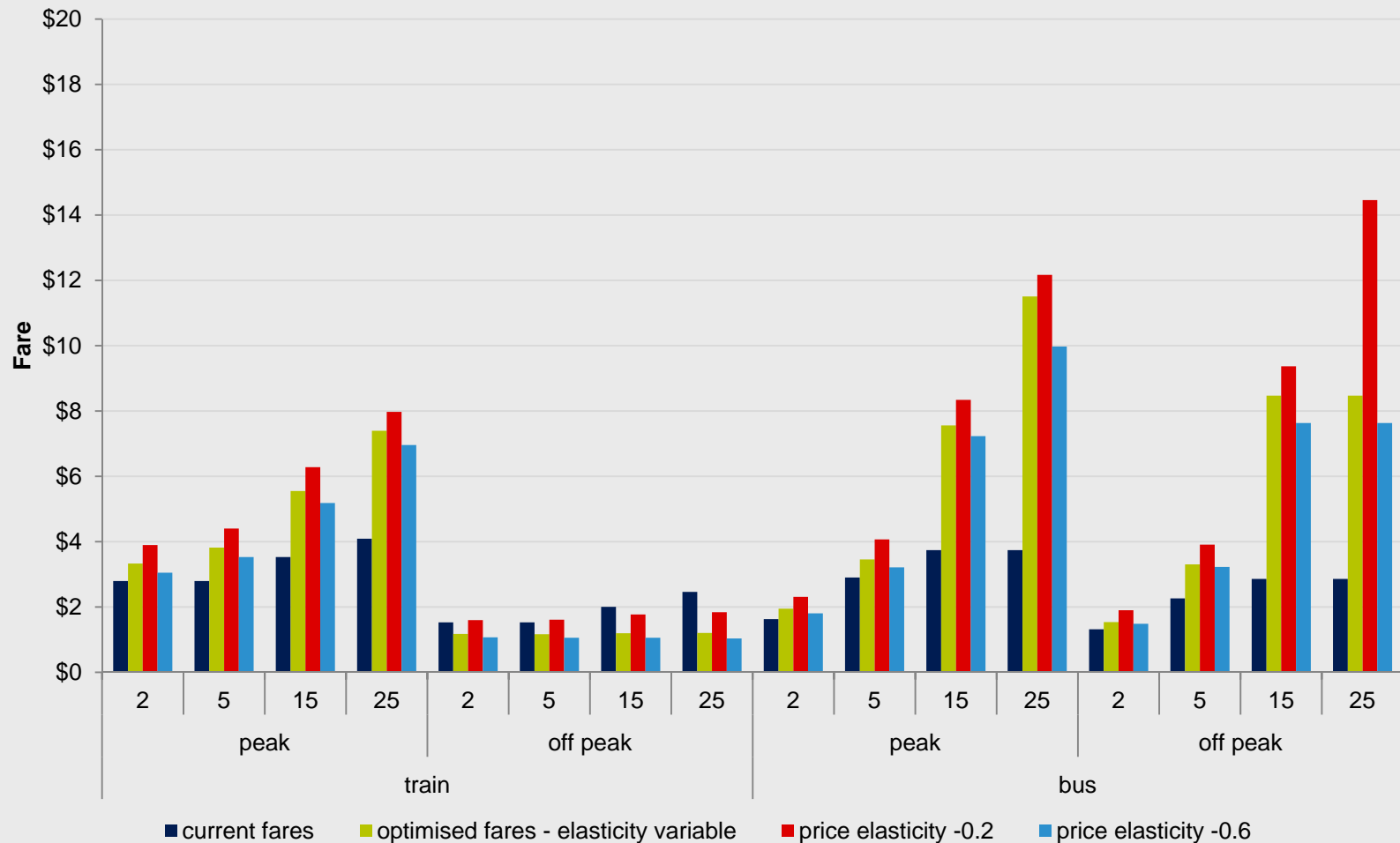
Sensitivity to scale benefits for buses included and not included



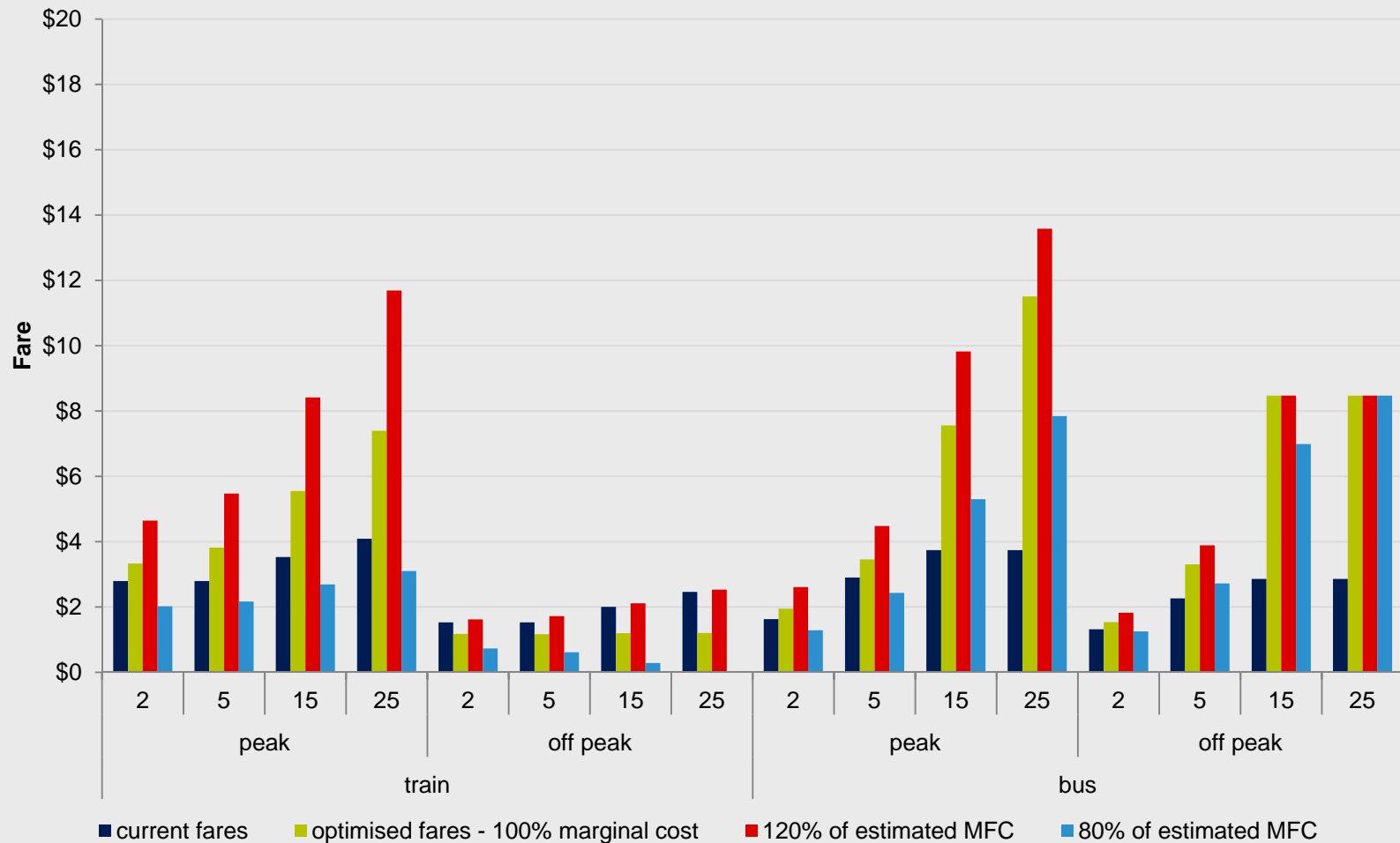
Sensitivity to time-switching elasticities



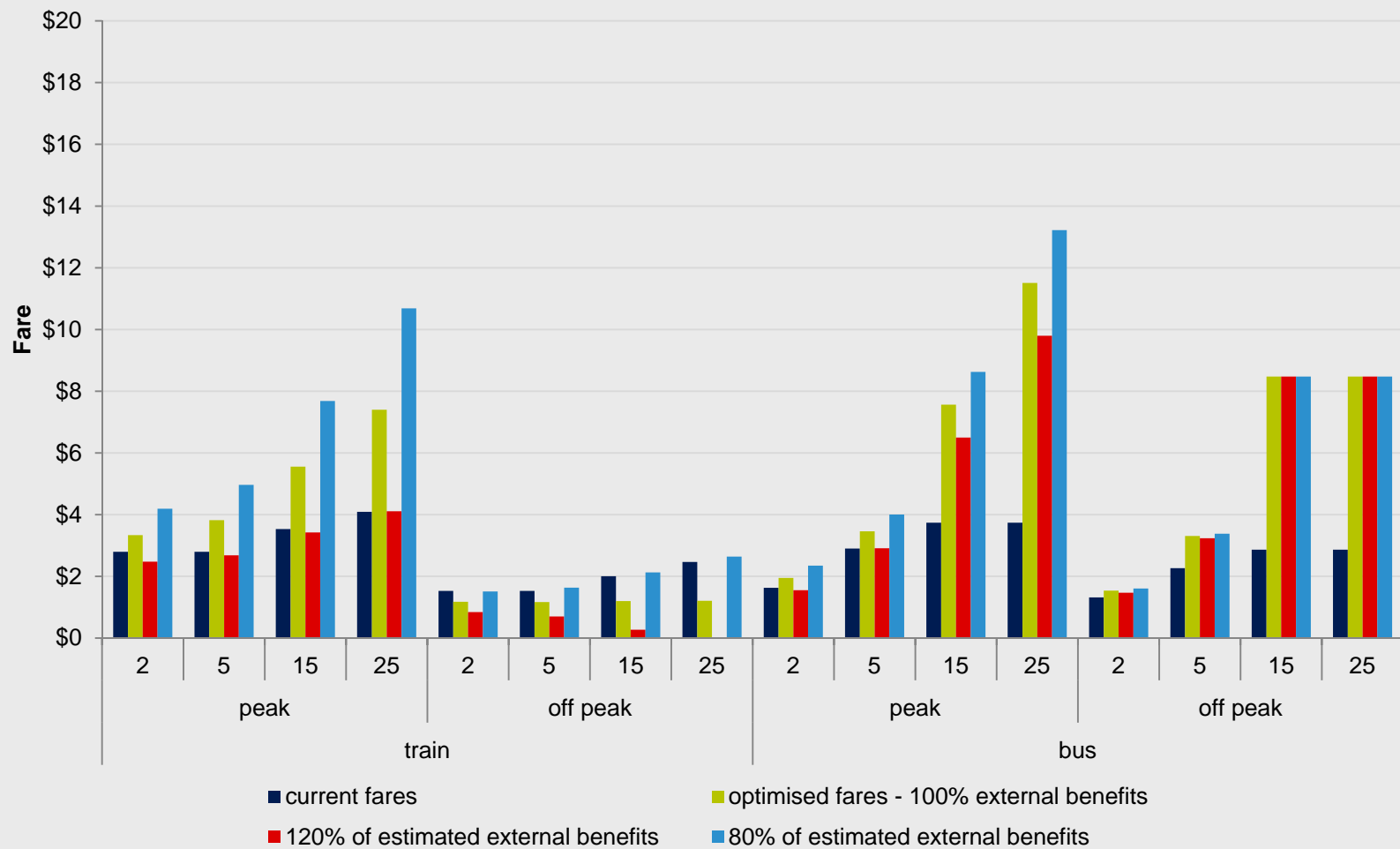
Sensitivity to own-price elasticities



Sensitivity to estimate of MFC



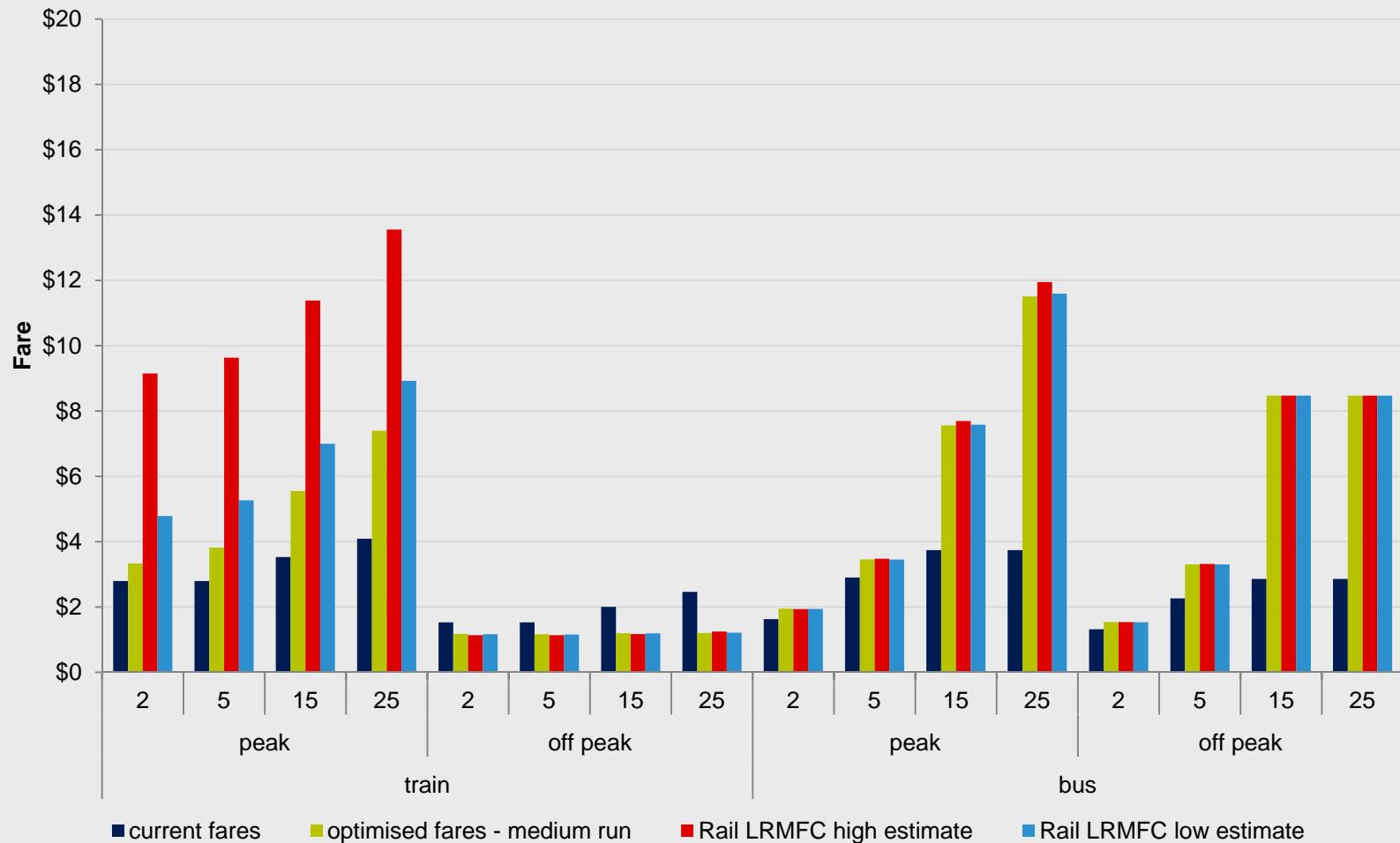
Sensitivity to estimate of external benefits



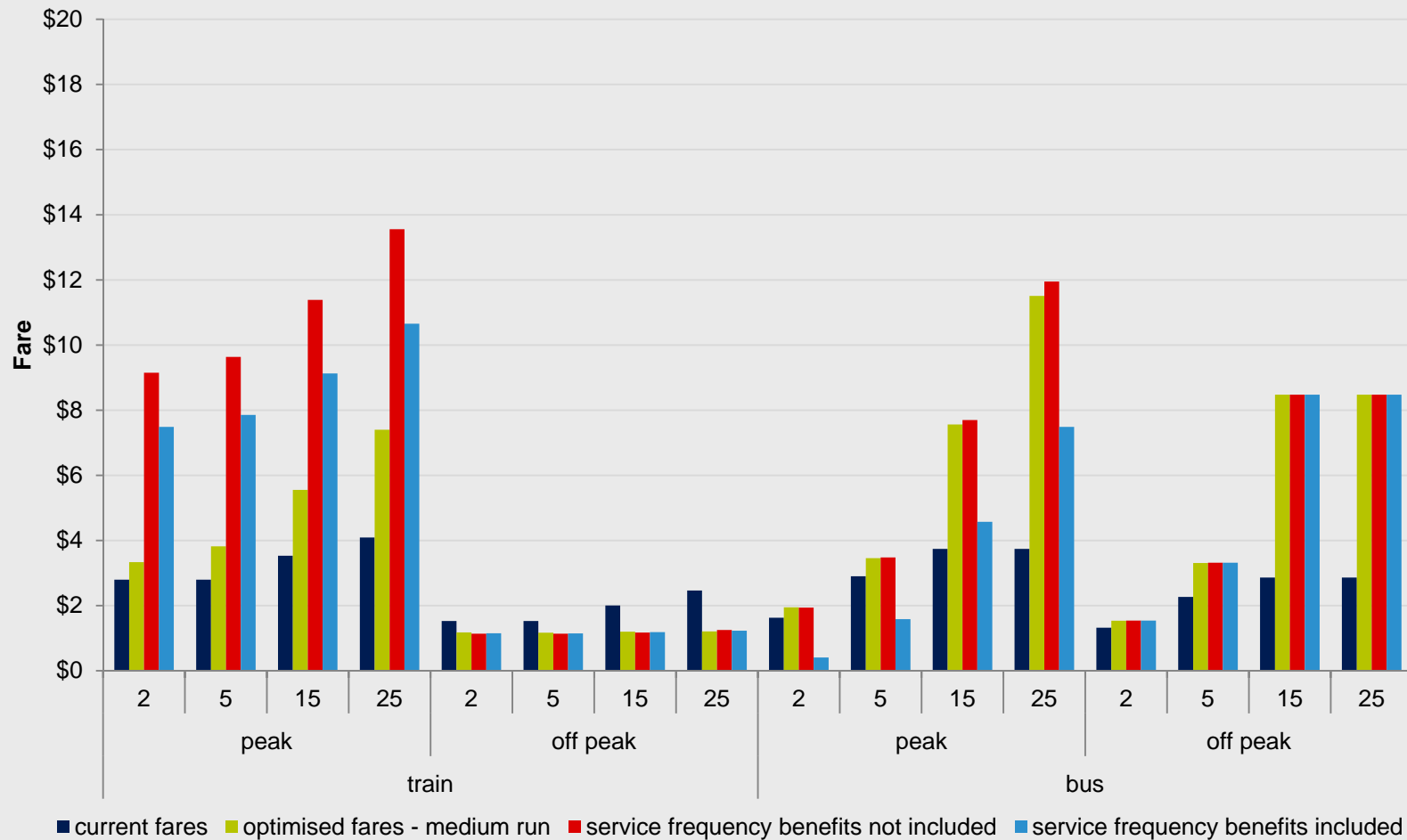
Sensitivity to estimates of long run marginal financial cost (LRMFC)

- ▼ All long run sensitivities use the same estimate of light rail LRMFC which is medium-run MFC+\$6.99 (per journey)
- ▼ Sensitivity to rail LRMFC
 - ▼ High estimate of rail LRMFC is medium-run MFC + \$5.91 (per journey)
 - ▼ Low estimate of rail LRMFC is medium-run MFC +\$1.47 (per journey)
- ▼ Sensitivity to service frequency benefits
 - ▼ High estimate of rail LRMFC with and without service frequency benefits (for all modes)
 - ▼ Low estimate of rail LRMFC with and without service frequency benefits (for all modes)

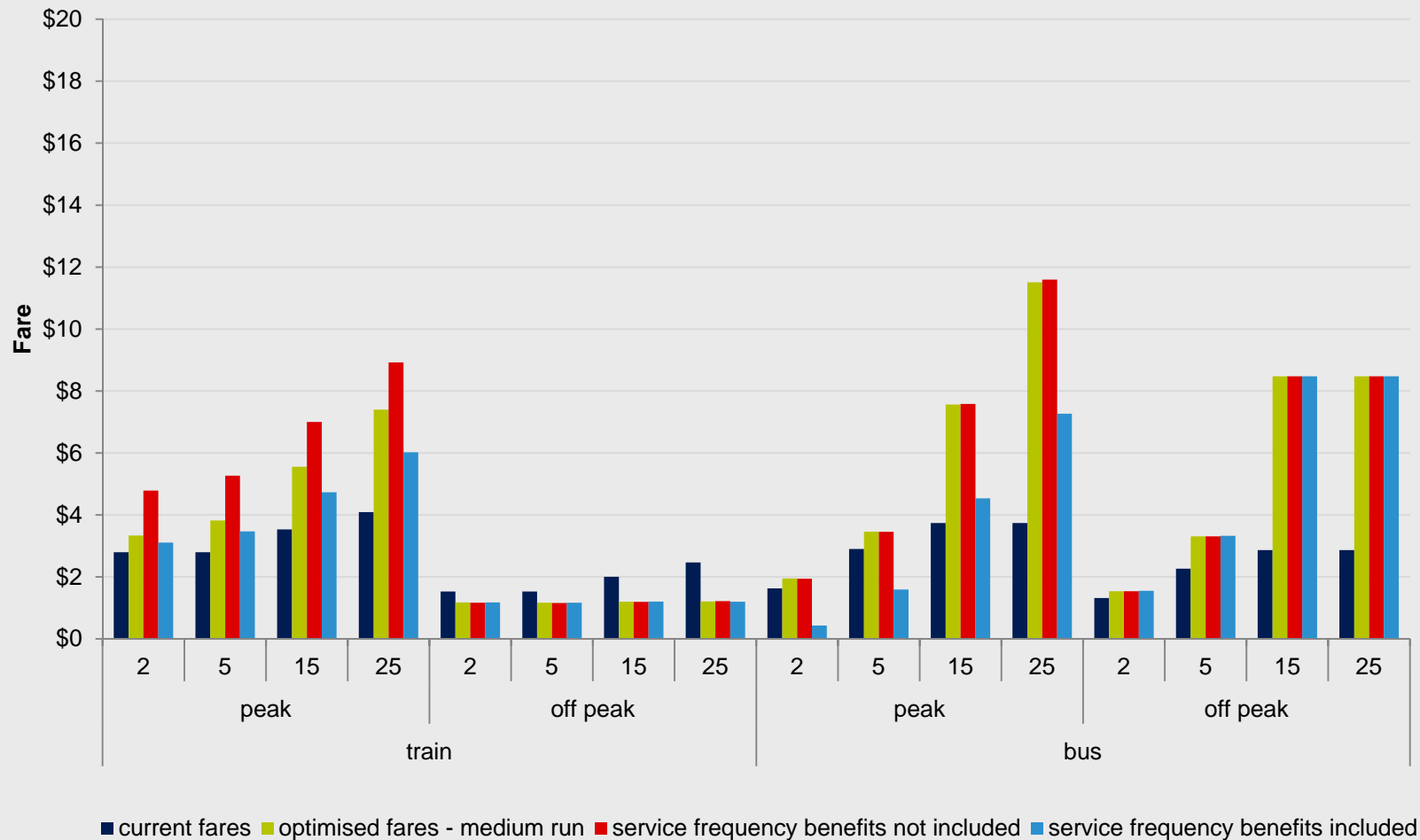
Sensitivity to estimates of rail LRMFC



Sensitivity to inclusion of service frequency benefits – high estimate of rail LRMFC



Sensitivity to inclusion of service frequency benefits – low estimate of rail LRMFC





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