Inquiry into referred 2018–19 Annual and Financial Reports
ANSWER TO QUESTION TAKEN ON NOTICE
4 November 2019

As asked by Alistair Coe MLA:

In relation to patronage modelling for Stage 2A of light rail:

**MR COE:** Was patronage a consideration for you?

**Mr Nicol:** Patronage was part of the assessment, yes.

**MR COE:** What modelling did you have at your disposal to determine whether stage 2A stacked up? What was your threshold? How did you actually assess whether that was reasonable?

**Mr Nicol:** Stage 2A, in a sense, is not a pure patronage play. It is a necessary link in providing what the government has announced as a spine down to Woden. It was more assessed—not that patronage was not taken into account—as a necessary, feasible way or option of delivering on that government commitment. But I can take on notice details of the exact patronage modelling which was led by TCCS.

**MR COE:** Right, but was there any level of patronage that would have led you to advise the government not to proceed, or was patronage really irrelevant?

**Mr Nicol:** I think that is a hypothetical question. I suspect the answer is no, but I think the patronage question more closely revolves around going through to Woden and the patronage that that generated. Stage 2A is the first stage of delivering that project. Yes, stage 2A will have a patronage lift. But it is really stage 2 that we focus on in terms of long-term patronage.

**ANDREW BARR MLA:** The answer to the Member’s question is as follows:

Patronage assessments formed part of the ACT Government’s consideration of the Light Rail Stage 2A Business Case.

The type of model used for the forecasting of patronage on Light Rail Stage 2A for business case purposes is the same as that used for the development of the Light Rail Stage 1 Business Case. That strategic transport model that was used is a standard model commonly used in the industry.
Transport modelling has been used to estimate the anticipated daily patronage for the light rail Stage 2A route in 2026 and 2046. The anticipated patronage numbers are outlined in the table below and contained in the publicly available Stage 2A Business Case.

<table>
<thead>
<tr>
<th>Assumption</th>
<th>City to Commonwealth Park</th>
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<tbody>
<tr>
<td>Estimated additional daily patronage (2026)</td>
<td>2,500</td>
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<tr>
<td>Estimated additional daily patronage (2046)</td>
<td>4,300</td>
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The ACT Government assessed the project based upon all factors contained in the business case, including but not limited to patronage. The ACT Government did not set any arbitrary patronage benchmarks, but instead recognised that delivering Stage 2A is a physical pre-condition to delivering light rail to Woden.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature: ___________________________ Date: 8.11.19

By the Treasurer