



50 cent public transport fares	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would deliver 50 cent public transport fares for all services and maintain existing free services, by providing funding to state and territory governments for the lost ticket revenue.</p> <p>A one-off fund of \$250 million would also be made available to states and territories to assist them to transition to 'smart ticketing'. This would allow people to pay for public transport using their credit card or debit card, or their phone.</p> <p>The policy would be ongoing and start on 1 July 2025.</p>	
<p>Additional information (based on further advice provided):</p> <p>State and territory governments would charge (and retain) 50c fares for all passengers.</p> <p>State and territory governments would continue to be responsible for remaining operating costs.</p> <p>The proposal includes the Federal government taking over long-term responsibility for delivering Queensland's 50c fares.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$10.8 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The estimates of costs from lost ticket revenue are sensitive to assumptions on ticket pricing, patronage numbers, usage trends including changes resulting from the COVID-19 pandemic (such as flexible working arrangements), population growth, transport services available and concessional fare eligibility. Additionally, 50c fares may lead to a significant behavioural response and increased public transport usage. Given the high level of uncertainty around the magnitude of a behavioural response and a lack of available context-specific (post-pandemic) data to inform such an estimate, we have not included a behavioural response in the costing.

The financial implications of this proposal for the Commonwealth are also dependent on negotiations with states and territories. There is potential for changes in public transport service provision by states and territories, on the basis the Commonwealth funds forgone ticket revenue.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the one-off pool of funding to assist states and territories to transition to smart ticketing would be sufficient to meet the objectives of the proposal.

Table 1: 50 cent public transport fares – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-2,752.5	-2,600.0	-2,690.0	-2,800.0	-10,842.5
Underlying cash balance	-2,752.5	-2,600.0	-2,690.0	-2,800.0	-10,842.5

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The funding provided would be equivalent to the states' and territories' historical average ticket revenue collected, excluding the years most heavily impacted by the COVID-19 pandemic (2021 and 2022).
 - Estimated ticket revenue would increase in line with the Consumer Price Index (CPI) and state and territory population growth.
 - The available data in annual reports is representative of ticket revenue for the respective state or territory.
 - State and territory forecast population growth is taken from the Centre for Population state and territory projections, 2023-24 to 2034-35.
 - State and territory population growth in 2035-36 was assumed to grow in line with the forecast growth rates between 2033-34 and 2034-35.
- Available public transport services, ticket pricing, patronage numbers and patterns would remain similar to historical averages.
- State and territory governments would agree to the proposed arrangements, including collecting and retaining the 50c passenger fares, and administering the program.
 - Agreement with the states and territories would occur in time for the policy to commence on 1 July 2025.
- A small complement of staff would be required in 2025-26 to support program establishment and negotiations with the states and territories.
 - Any additional future departmental costs for the Commonwealth are expected to be small and be absorbed by the relevant department.
 - A portion of the program establishment and negotiation costs may be incurred in 2024-25.
- The \$250 million one-off funding pool would be allocated to 2025-26 with no funds left unspent.

Methodology

The estimated financial impact was calculated by using the average annual ticket revenue over 7 years (excluding years most heavily impacted by the COVID-19 pandemic) collected by each state and territory and then grown in line with CPI and state and territory population projections.

- Annual ticket revenue was derived using state and territory (excluding Northern Territory) historical data over the most recent 7-year period.¹
- Annual ticket revenue for the Northern Territory was based on a percentage of Tasmania's historical ticket revenue due to similarities in public transport usage and population growth.
 - Tasmania's historical ticket revenue was used as a baseline with amendments made to account for the Northern Territory's smaller population, lower ticket fares (no zoning charges), higher percentage of concessional fares, and recent policy changes.

Financial implications were rounded consistent with the PBO's rounding rules.²

Data sources

Centre for Population (2024) [Centre for Population Projections | Centre for Population](#), Australian Government, accessed 14 May 2025

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Department for Infrastructure and Transport (2024) [Annual Reports 2018 - 2024 | Department for Infrastructure and Transport](#), Government of South Australia, accessed 14 May 2025

Department of Transport and Main Roads (2024) [Annual Reports 2017-18 to 2022-2023 | Department of Transport and Main Roads](#), Queensland Government, accessed 14 May 2025

Department of Transport and Main Roads (2024) [Annual Report 2023-24 | Department of Transport and Main Roads](#), Queensland Government, accessed 14 May 2025

Department of Transport and Planning (2023) [Annual Reports 2017-18 to 2022-23 | Department of Transport and Planning](#), Victoria State Government, accessed 14 May 2025

Metro Tasmania (2024) [Annual Reports 2018-2024 | Metro Tasmania](#), Tasmanian Government, accessed 14 May 2025

Productivity Commission (2021) [Public Transport Pricing - Commission research paper](#), accessed 14 May 2025

Public Transport Authority (2024) [Annual Reports 2017-18 to 2023-24 | Public Transport Authority](#), The Government of Western Australia, accessed 14 May 2025

Transport Canberra and City Services (2024) [Annual Reports 2018 - 2024 | City Services](#), Australian Capital Territory Government, accessed 14 May 2025

Transport for New South Wales, (2024) [Annual Report for 2017-18 to 2023-24](#), accessed 14 May 2025

¹ The publicly available data presents annual ticket revenue collected in financial years and calendar years depending on the state or territory. This historical period is used to capture ticket revenue prior to and following COVID-19. The years most heavily impacted by COVID-19 have not been included.

² <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – 50 cent public transport fares – Financial implications

Table A1: 50 cent public transport fares – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
<i>Free public transport - subsidy to states and territories</i>	-2,500.0	-2,600.0	-2,690.0	-2,800.0	-2,900.0	-3,010.0	-3,120.0	-3,240.0	-3,360.0	-3,490.0	-3,620.0	-10,590.0	-33,330.0
<i>One off funding - smart ticketing</i>	-250.0	-	-	-	-	-	-	-	-	-	-	-250.0	-250.0
Total – administered	-2,750.0	-2,600.0	-2,690.0	-2,800.0	-2,900.0	-3,010.0	-3,120.0	-3,240.0	-3,360.0	-3,490.0	-3,620.0	-10,840.0	-33,580.0
Departmental													
<i>Department of Infrastructure, Transport, Regional Development, Communications and the Arts</i>	-2.5	-	-	-	-	-	-	-	-	-	-	-2.5	-2.5
Total (excluding PDI)	-2,752.5	-2,600.0	-2,690.0	-2,800.0	-2,900.0	-3,010.0	-3,120.0	-3,240.0	-3,360.0	-3,490.0	-3,620.0	-10,842.5	-33,582.5

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: 50 cent public transport fares – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-60.0	-180.0	-310.0	-440.0	-590.0	-750.0	-920.0	-1,100.0	-1,300.0	-1,520.0	-1,750.0	-990.0	-8,920.0
Underlying cash balance	-50.0	-150.0	-280.0	-410.0	-550.0	-710.0	-880.0	-1,060.0	-1,250.0	-1,460.0	-1,690.0	-890.0	-8,490.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary³.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

³ [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)