


## Request for Costing an Election Commitment

<b>Name of election commitment:</b>	<del>Bus Boost, Item 4</del> - Hybrid/Electric bus trial
Person and party requesting costing:	Meredith Hunter, ACT Greens Parliamentary Leader
Date of public release of election commitment, including source:	20 August 2012 <a href="http://act.greens.org.au/sites/greens.org.au/files/TRANSPORT_Bus_Boost.pdf">http://act.greens.org.au/sites/greens.org.au/files/TRANSPORT_Bus_Boost.pdf</a>
Summary of election commitment:	Trialling two hybrid/electric or electric buses in the ACT ACTION fleet for one year.
Intention of election commitment:	Assess the environmental and practical operation, and costs, of new bus technologies for use in the ACTION fleet
Signature of person requesting costing:	
Date of request for costing:	10/10/12

**What are the key assumptions that have been made in the election commitment?**

**Note:** that where the request to cost an election commitment differs from the public announcement, the costing will be on the basis of information provided in the costing request.

**Note:** it will be up to the professional judgment of the Director-General as to whether these assumptions are adopted in the costing of the election commitment.

**Where relevant, is the funding for the policy to be demand driven or a capped amount?**  
A capped amount.

**Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment?**  
N/A.

**Will funding/the cost require indexation?**

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

	2012-13	2013-14	2014-15	2015-16	2016-17	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue <sup>(a)</sup>						
Expenses <sup>(a)</sup>		-104	-334	-297	-300	-1,035
Capital		-1,740				-1,740

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

**What is the likely take up?**  
N/A.

**Any other assumptions?**

- The commitment is for a one year trial with pre and post implementation studies however the costing has been done on the basis that the trial will be a success and the hybrid buses will continue to operate as part of the Action fleet.
- The buses are expected to cost \$730,000 each (GST exclusive). This information was provided by the Government in QON 2252 (2012).
- The buses will be purchased in 2013/14 and commence operation in 2014/15.
- Fit-out costs are assumed to be \$140,000 per bus. This assumption is based on the difference between the price of a Scania Euro 5 Bus (provided by Government in response to QON 2301 (2012)) and the cost of purchasing buses that are ready to go into service through the Government's contract with Scania (contract number 2010.15525.220).
- The buses are depreciated over 20 years (as per ACTION audited financial statements).
- Cost of borrowing is calculated at 4.25% per year.
- Running costs of \$60,000 per bus per year are included and commence in 2014/15
- \$20,000 is provided for a pre-implementation study in 2013-14 and \$40,000 for a post implementation study in 2014-15.
- Driver training of \$10,000 per year is also included.

The breakdown of expenses is as follows

	2012-13	2013-14	2014-15	2015-16	2016-17	Total
costs of borrowing		74	77	80	83	314
operating costs @ \$60,000 bus			120	120	120	360
Depreciation (20 years)			87	87	87	261
Driver training		10	10	10	10	40
pre implementation study		20				20
post implementation study			40			40
<b>TOTAL</b>		104	334	297	300	1035

**Administration of the election commitment**

**How will the election commitment be administered?**

As above.

**Who will administer the election commitment?**

ACTION and ESDD.

**Has an allowance been made for expenses necessary to support the implementation of this election commitment?**

- If no, will the government agency be expected to absorb expenses associated with this election commitment?
- If yes, please specify the key assumptions.

No. Action will be expected to absorb any additional expenses.
<b>What is the intended implementation date of the election commitment?</b> The buses will be purchased in 2013-14, and the trial will commence in 2014-15.
<b>Are there transitional arrangements associated with election commitment implementation?</b> No.
<b>Are there any other assumptions that need to be considered?</b> No.
<b>When is the election commitment expected to be fully operational?</b> <i>Please provide further details i.e. start and end dates, the level of commitment during each period etc?</i> 2014-15.
<b>Will the election commitment cease and if so when?</b> N/A.

