


Request for Costing an Election Commitment

Name of election commitment:	Bus Boost, Item 3 - New Suburbs/ Demand responsive transport
Person and party requesting costing:	Meredith Hunter, ACT Greens Parliamentary Leader
Date of public release of election commitment, including source:	20 August 2012 http://act.greens.org.au/sites/greens.org.au/files/TRANSPORT_Bus_Boost.pdf
Summary of election commitment:	Flexible, demand responsive bus services to service new Molonglo and Gungahlin suburbs and other areas of Canberra that have limited public transport.
Intention of election commitment:	Provide bus services to areas of Canberra without bus services – especially newly developing suburbs.
Signature of person requesting costing:	
Date of request for costing:	9/10/12

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?

The initiative is not indexed as it is assumed that as efficiencies will be found as the new service is rolled out to offset the wage/CPI increases.

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 ^(a)						
Expenses ^(a)		-26	-790	-790	-790	-2396
Capital		-600				-600

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

What is the likely take up?

It is very difficult to anticipate the uptake of the service and for this reason revenue from increased patronage has not been included in the costing.

Any other assumptions?

ACTION is expected to prioritise the areas receiving the demand responsive transport service based on cost effectiveness and need, within the allocated resources.

- The initiative provides \$600,000 capital for the first year for establishing the service.
- This capital includes the purchase of 6 smaller buses, such as 21 seat buses at \$91,453 per bus (2012 quote from Toyota) (additional funding is for fit out (ticketing system etc) and any other necessary modifications).
- Expenses of \$790,000 per annum are provided to cover depreciation (over 20 years, as per ACTION audited financial statement), the cost of capital and general running the service including employing additional drivers if required.

Administration of the election commitment
<p>How will the election commitment be administered? By ACTION buses or by ACTION buses in partnership with a private operator.</p>
<p>Who will administer the election commitment? ACTION.</p>
<p>Has an allowance been made for expenses necessary to support the implementation of this election commitment?</p> <ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this election commitment? – If yes, please specify the key assumptions. <p>It is expected that some additional cost will be absorbed by action however the above funding does include additional administrative expenses that may be incurred.</p>
<p>What is the intended implementation date of the election commitment? Preparations and set up of the service will occur in 2013-14, with the service to commence operation in 2014-15.</p>
<p>Are there transitional arrangements associated with election commitment implementation? N/A.</p>
<p>Are there any other assumptions that need to be considered? N/A.</p>
<p>When is the election commitment expected to be fully operational? <i>Please provide further details i.e. start and end dates, the level of commitment during each period etc?</i> 2014-15.</p>
<p>Will the election commitment cease and if so when? N/A.</p>