

Request for Costing an Election Commitment

Name of proposal:	Suburban Infrastructure (Active Travel) – Belconnen Bikeway Extension
Person requesting costing:	Andrew Barr MLA
Date of request:	12 October 2020
Summary of proposal:	A re-elected ACT Labor Government will invest \$1.2 million in the extension of the Belconnen Bikeway from Haydon Drive to CIT Bruce.
Issue the proposal will address:	<p>The extension of the Belconnen Bikeway will add to the existing Bikeway that was constructed in 2020 from Coulter Drive, through the old Busway, along Emu Bank and College Street, and create over 5km of protected cycleway through the Belconnen Town Centre.</p> <p>In addition, these projects are small but labour-intensive so will keep Canberrans working in our local industries as our economy recovers from the greatest challenge our city has ever faced. Focusing investment in our suburbs helps them to remain hubs where communities can come together to learn, play and socialise and support their local economies.</p>

What are the key assumptions that have been made in the proposal?

Note: The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

Assumptions:

Planning and construction - \$1.2 million

The capital costs will be offset from the Better Infrastructure Fund (BIF). Therefore, no interest costs are assumed.

Useful life is assumed to commence from 1 July from 2022-23.

Depreciation is assumed at 30 years with nil residual value. Depreciation is included as this investment is assumed to improve an existing asset and update the book value.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?					
	2020-21	2021-22	2022-23	2023-24	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)					
Expenses^(a)					
Capital		-1,200.0			-1,200.0
Depreciation			-40.0	-40.0	-80.0

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?
No
Where relevant, is funding for the proposal to be demand driven or a capped amount?
Capped – all works will be scoped to the allocated amounts.
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements?
No
Will funding/the cost require indexation?
N/A
Who will administer the proposal?
Transport Canberra and City Services
How will the proposal be administered?
The design and construction works will be administered by TCCS as part of its existing infrastructure delivery program.
Is the proposal part of a broader package?
Yes. The proposal is part of the ACT Labor's Suburban Infrastructure Improvements package. The initiative is not dependent on other elements of the package for delivery.
Has an allowance been made for expenses necessary to support the implementation of this proposal?
<ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
No – Costs will be absorbed by TCCS as part of existing funded infrastructure delivery team.
Will the proposal generate savings or offsets?

The project will be offset against the Better Infrastructure Fund.
Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?
No
What are the community impacts associated with the proposal? Who and how many people will be affected?
<p>This proposal will add to the existing Bikeway that was constructed in 2020 from Coulter Drive, through the old Busway, along Emu Bank and College Street and create over 5km of protected cycleway through the Belconnen Town Centre.</p> <p>These projects are all small but labour-intensive so will keep Canberrans working in our local industries like construction and landscaping. For maintenance and upgrade projects there is typically higher employment intensity and lower capital costs, which maximises the potential job creation.</p> <p>Small scale construction is likely to be more labour intensive than heavy construction. High direct employment in construction and strong supply chains also means many indirect jobs</p>
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
No
What is the intended implementation date of the proposal?
From 1 July 2021
When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc.
Useful life is calculated from 1 July 2022.
Will the proposal cease, and if so, when?
Works to be completed within the financial year (2021-22).
Is there any additional information relevant to this proposal?
No