

Request for Costing an Election Commitment

Name of proposal:	Infrastructure – Molonglo River Bridge
Person requesting costing:	Alistair Coe MLA
Date of request:	15 October 2020
Summary of proposal:	The Canberra Liberals will partner with the Federal Government to complete the Molonglo River Bridge.
Issue the proposal will address:	The proposal will reduce congestion, improve travel times and support growth in Molonglo, while also supporting local jobs.

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.

This costing assumes that the Australian Government will contribute \$87.5 million in funding for the Molonglo River Bridge. The ACT Government will need to contribute \$87.5 million for the construction of the new bridge crossing. The project is expected to start in early 2022 and be finished by mid 2024.

The Pre-Election Budget Update includes \$176 million for John Gorton Drive and Molonglo River Bridge Crossing in the capital works provisions. This has been assumed to cover the entire bridge project.

Given \$176 million has already been budget committed for the project, it is assumed that the \$87.5 million contribution from the Federal Government will provide a significant offset and the revised project cost of \$175 million provides an additional saving of \$1 million. This will result in a total of \$88.5 million in savings and offsets from the Pre-Election Budget Update figures.

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		-9,000	-38,000	-40,500	-87,500
Offsets		18,800	76,000	81,200	176,000

Depreciation					
(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?					
<p data-bbox="207 367 1420 418">Australian Government Molonglo River Bridge.</p> <p data-bbox="207 418 1420 533">Table 5, page 14: Pre-Election Budget Update.</p>					
Where relevant, is funding for the proposal to be demand driven or a capped amount?					
Capped amount.					
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?					
Yes. The Australian Government will contribute \$87.5 million to the funding. The arrangement is that the ACT Government matches the Federal commitment.					
Will funding/the cost require indexation?					
No.					
Who will administer the proposal?					
The proposal will be administered by the Transport Canberra and City Services Directorate.					
How will the proposal be administered?					
Transport Canberra and City Services Directorate will administer the project in conjunction with the Australian Government.					
Is the proposal part of a broader package?					
This proposal forms part of the Canberra Liberals Policy on Infrastructure.					
<p data-bbox="207 1662 1420 1733">Has an allowance been made for expenses necessary to support the implementation of this proposal?</p> <ul data-bbox="255 1747 1420 1861" style="list-style-type: none"> <li data-bbox="255 1747 1420 1818">– If no, will the government agency be expected to absorb expenses associated with this proposal? <li data-bbox="255 1818 1420 1861">– If yes, please specify the key assumptions. 					
The Transport Canberra and City Services Directorate will absorb the administrative costs associated with this proposal.					

Will the proposal generate savings or offsets?
Yes, this costing is based on the Australian Government funding which is an offset.
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?
Yes. See here .
What are the community impacts associated with the proposal? Who and how many people will be affected?
The project will support significant growth in Molonglo, including the development of Denman Prospect, Whitlam and the Molonglo Commercial Centre. It will reduce congestion, improve road safety and travel times, as well as improving connectivity.
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?
The project is expected to start in early 2022.
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.
The project is expected to start in early 2022 and be finished by mid-2024.
Will the proposal cease, and if so, when?
The proposal will cease once the contract is completed.
Is there any additional information relevant to this proposal?
N/A