

2016 Policy Commitment – ACT Labor

Name of Commitment:	Extend light rail to Woden	Reference Number: LAB050
Request Submitted by:	Andrew Barr MLA, ACT Labor	
Date Request Received:	12-Oct-16	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	TOTAL \$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a) (b)}	-7,000.0	-450.0	-461.3	-472.8	-8,384.0
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	-7,000.0	0.0	0.0	0.0	-7,000.0
- Cost of Financing	0.0	-450.0	-461.3	-472.8	-1,384.0
Expenses - Depreciation	0.0	0.0	0.0	0.0	0.0
Net Operating Balance	-7,000.0	-450.0	-461.3	-472.8	-8,384.0
Capital Requirement	0.0	-18,000.0	0.0	0.0	-18,000.0
Cash Surplus/Deficit	-7,000.0	-18,450.0	-461.3	-472.8	-26,384.0

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

Other Information
Costing Methodology Used: - Costing Technique: Treasury has costed this commitment as a fixed dollar amount. The scope of the proposal would need to be managed within this level of funding. - Proposal Parameters: The costing assumes that administrative expenses associated with the program would be absorbed by the Transport Canberra and City Services Directorate (TCCS). The cost of financing has been calculated at 2.5 per cent. The \$7 million of expenses in 2016-17 is assumed to relate to the preparation of a business case. The \$18 million of capital in 2017-18 is assumed to relate to preliminary design. Caveats or qualifications to the costing: N/A Other Comments: The costing request relates to scope and design aspects only, not procurement, construction or operation. Treasury notes that ACT Labor's published policy states that "construction will commence following completion of Stage 1 from the city and Gungahlin". While Treasury cannot reliably estimate the cost of construction of light rail from Civic to Woden at this early stage, indicative costs per kilometre for the 10.7 kilometre length are between \$60 million and \$85 million. - Statistical Data Used: Treasury estimate.



David Nicol

Under Treasurer

13 October 2016