

## Request for Costing an Election Commitment

Name of proposal:	<b>Infrastructure – Canberra – South West Corridor Upgrade Package</b>
Person requesting costing:	Alistair Coe MLA
Date of request:	14 October 2020
Summary of proposal:	The Canberra Liberals will contribute an additional \$50 million for the Canberra – South West Corridor Upgrade Package to match the Australian Government funding announced on 6 October.
Issue the proposal will address:	The proposal will improve road safety and travel times, as well as reducing congestion.

### 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 \$50 million in funding for the Canberra – South West Corridor Upgrade Package. The ACT Government will need to contribute \$50 million for the upgrades.

The package is expected to include the development of a corridor plan, and individual projects consistent with this plan that are prioritised and agreed between the Australian and ACT governments. Subject to planning outcomes, projects could include upgrades to the Tuggeranong Parkway (including between the Cotter Road and Glenloch Interchange), improvements to intersections and feeder roads along the corridor (such as the Athllon Drive), or pavement rehabilitation along the Parkway.

This project is expected to start in early 2022 and to be delivered in stages. This costing assumes that the \$50 million will be staggered across 2021-22 to 2023-24. The \$5 million allocated in 2021-22 is assumed to be for the development of a corridor plan, which will inform the works to be completed in 2022-23 and beyond.

Costings assume straight line depreciation based on a 50 year life for capital works. Cost of financing has been calculated at 1.6 per cent. Repair and maintenance expenses are costed at zero per cent of capital cost in the first year after construction.

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

<b>Revenue<sup>(a)</sup></b>					
<b>Expenses<sup>(a)</sup></b>		-5,000.0	-360.0	-725.8	-6,085.8
<b>Capital</b>			-22,500.0	-22,500.0	-45,000.0
<b>Depreciation</b>				-450.0	<b>-450.0</b>

(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?

[Australian Government – Canberra – South West Corridor Upgrade Package.](#)

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Matching funding to Commonwealth contribution.

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 \$50 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.

Has an allowance been made for expenses necessary to support the implementation of this proposal?

- If no, will the government agency be expected to absorb expenses associated with this proposal?
- 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?
No.
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 <a href="#">here</a> .
What are the community impacts associated with the proposal? Who and how many people will be affected?
<p>This proposal will help to reduce congestion areas, with parts of the Tuggeranong Parkway transporting about 40,000 vehicles a day. This will improve travel times, as well as road safety. It will also support the growth of the ACT South West Corridor and promote efficient east west freight connections.</p> <p>The project is expected to support 180 direct and indirect jobs, based on Australian Government estimates.</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?
The project is expected to start in early 2022, with contracts likely to be signed in late 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.
The project is expected to start in early 2022, with contracts likely to be signed in late 2021. The project will be delivered in stages. This costing assumes works are complete by 30 June 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