

## 2024 Election Commitment – ACT Greens

<b>Name of Commitment:</b>	<b>Connecting Canberra with a Great Path Network and Streets for People: Making it easier for people to walk and cycle</b>
	<b>Reference Number:</b> GRN001
<b>Request Submitted by:</b>	Shane Rattenbury MLA, ACT Greens
<b>Date Request Received:</b>	08-Oct-24
<b>Additional Information Requested (details and date)</b>	Treasury sought further information on the insourcing of path maintenance and repair works, how the capital cost for the Streets for People component was calculated, whether the e-bike rebate program would be capped at 2,000 rebates per year, whether the end-of-trip facilities audit would be through consultancies or existing staff, when depreciation would commence and whether the cost of financing was included in the estimated capital cost (9-Oct-24).
<b>Additional Information Received (details and date)</b>	The ACT Greens advised that the number of path maintenance workers should be assumed and calculated within the budget envelope, as a separate costing has not been undertaken outside of the existing funding envelope proposed. Capital cost of 'Streets for People' has been calculated on an 80 per cent capital and 20 per cent expense split, based on the 2023-24 Budget. Funding for e-bike rebates was estimated to cover 2,000 rebates in the first year, but the Party does not want to cap the rebates at 2,000. If demand were higher, the ACT Greens advised that additional funds would be allocated or brought forward from future years. Depreciation would be additional and the costs of financing are included in the costs proposed (15-Oct-24).

<b>Financial Implications</b>					
<b>Impact On:</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenues <sup>(a)</sup>	0.0	0.0	0.0	0.0	0.0
Expenses <sup>(a)(b)</sup>	-13,489.5	-27,095.0	-26,220.4	-26,220.2	-93,025.1
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	-12,261.0	-23,450.0	-20,032.0	-17,355.0	-73,098.0
- Cost of Financing	-1,228.5	-3,645.0	-6,188.4	-8,865.2	-19,927.1
Depreciation	0.0	-585.0	-1,705.0	-2,825.0	-5,115.0
<b>Net Operating Balance</b>	<b>-13,489.5</b>	<b>-27,680.0</b>	<b>-27,925.4</b>	<b>-29,045.2</b>	<b>-98,140.1</b>
<b>Capital Requirement</b>	<b>-23,400.0</b>	<b>-44,800.0</b>	<b>-44,800.0</b>	<b>-44,800.0</b>	<b>-157,800.0</b>
<b>Cash Surplus/Deficit</b>	<b>-36,889.5</b>	<b>-71,895.0</b>	<b>-71,020.4</b>	<b>-71,020.2</b>	<b>-250,825.1</b>

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

## Other Information

### Costing Methodology Used:

#### - Costing Technique:

The costing is for a fixed dollar amount for the following components, over four years from 2024-25 to 2027-28 inclusive, comprising:

- expenses of \$15.073 million for footpath maintenance (noting this excludes the cost of finance);
- capital of \$56 million and expenses of \$14.0 million for path expansion;
- capital of \$1.0 million in 2024-25 and expenses of \$7.0 million for path auditing, sweeping and cleaning;
- expenses of \$250,000 for an end-of-trip facilities audit; and
- expenses of \$1.0 million for education programs.

As such the scope would need to be managed within this level of funding.

Expenses of \$6.825 million for school crossing supervisors were costed on a price by quantity methodology for 75 schools currently without crossing supervisors, at a cost of \$26,000 per school crossing supervisor per annum.

The city-wide offroad path network component was costed at \$216.0 million based on a price per kilometre methodology, at \$1.6 million per kilometre, for approximately 135 kilometres, with completion expected by 2030.

Expenses for e-bike rebates are costed at a fixed dollar amount of \$3.750 million, however, there may be additional costs should demand prove to be higher than expected.

#### - Proposal Parameters:

- The capped components of the proposal would be completed at cost of \$57.0 million in capital and \$37.323 million in expenses and includes: footpath maintenance; path expansion; path auditing, sweeping and cleaning; end-of-trip facilities; and education programs.
- Costs for 2024-25 are calculated at 50 per cent of the 2025-26 costs for all components except: path auditing; end-of-trip facilities audit; and education programs.
- Treasury notes the city wide offroad path network component is for 135 kilometres of new separated bike paths by 2030, at a total capital cost of \$216 million, \$56 million of which is estimated to be spent in the four years from 2024-25 to 2027-28 inclusive.
- The end-of-trip facilities audit would be undertaken by a consultancy with any supporting staff costs to be absorbed by Transport and City Services Directorate (TCCS) through their existing funding.
- The costing assumes the footpath maintenance, path expansion and crossing supervisors components would commence on 1 January 2025 and end on 30 June 2028.
- The costing assumes the end-of-trip facilities audit and education programs components would commence on 1 January 2025 and end on 30 June 2026.
- The costing assumes the path auditing component would commence on 1 January 2025 and end on 30 June 2025.
- The costing assumes the e-bike rebate scheme is expected to continue beyond the forward estimates.
- The costing assumes that the associated administrative expenses would be absorbed by TCCS.
- Depreciation has been calculated on a straight line basis over a 40-year period, excluding path maintenance, and would be \$585,000 in 2025-26, \$1.705 million in 2026-27, \$2.825 million in 2027-28 and \$3.945 million in 2028-29 and ongoing. Depreciation has been calculated over the forward estimates only, noting funding for the city-wide offroad path network component extends beyond the forward estimates.
- Repairs and maintenance has been calculated at 0 per cent in the first year following construction, 1 per cent in the second year and 2 per cent thereafter. Repairs and maintenance costs calculated for funding over the forward estimates would therefore be \$234,000 in 2026-27, \$916,000 in 2027-28, \$1,812 million in 2028-29, \$2,708 million in 2029-30 and \$3,156 million in 2030-31 and ongoing.
- Cost of financing is calculated at 5.25 per cent.

**Caveats or qualifications to the costing:**

- The costing assumes the design of the proposed works would be included within the proposed funding.
- Funding for e-bikes is estimated to be 2,000 rebates per year, with the option of allocating additional funds in future years should demand be higher.
- The costing assumes an 80/20 split between capital and expense for the city-wide offroad path network, based on a capital/expense split used for the 2023-24 Budget initiative *Better transport infrastructure – Supporting active travel*. Treasury notes it is difficult to accurately recreate this split without more detailed knowledge of the expense components.
- Treasury notes that footpath maintenance is an activity normally undertaken through recurrent funding, particularly noting that the costing request references the insourcing of footpath maintenance and repair. Treasury further notes that the total amount spent on footpath and cyclepath maintenance between 2017-18 and 2021-22 was \$5.7 million per annum (including ACT and Commonwealth Government COVID-19 stimulus funding).
- The following elements of the proposal are assumed to have no additional cost and to be absorbed within existing TCCS resources:
  - Reprioritisation of pedestrian signals to give priority to foot traffic, investigation of opportunities for street crossings with large medians, opportunities for pedestrian lights to let pedestrians cross the street in one cycle;
  - Implementation of the active travel design guide; and
  - Bike parking at every local shopping, town and city centre.
- More secure bike parking at our schools - a target for ACT Public Schools to provide bike parking for one-third of all student enrolments to be funded through existing Education Directorate asset renewal funding.

**Other Comments:**

Treasury's costing differs from that submitted for the following reasons.

- The \$28.0 million cost for footpath maintenance in the costing request has been classified as expenses for this component, for total expenses of \$35 million over four years, as footpath/cyclepath maintenance is normally funded through expense funding rather than capital funding;
- Treasury has reduced the \$35.0 million footpath maintenance component by \$19.927 million to a revised total of \$15.073 million to allow for the cost of financing, reflecting advice from the ACT Greens that the cost of financing was included in their total expense estimates.
- The costing for school crossing supervisors was calculated by Treasury for 75 public schools at \$26,000 per annum each. The costing request has calculated this component for 65 additional supervisors at \$26,000 per annum each.
- The inclusion of depreciation.
- The inclusion of repairs and maintenance expenses.

**- Statistical Data Used:**

Treasury estimates.



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Stuart Hocking PSM  
Under Treasurer  
17 October 2024