

## Request for Costing an Election Commitment

<b>Name of policy proposal:</b>	<b>Ensuring our existing roads remain sustainable</b>
Person requesting costing:	Shane Rattenbury MLA
Date of request:	30 September 2016
Summary of proposal:	A dollar limited investment of \$30 million to make emergency repairs to existing road infrastructure across Canberra.
Issue the proposal will address:	There is a growing backlog of road maintenance which, if not addressed, will incur much higher costs in the future. This proposal provides recurrent funding to keep up with maintenance needs, and capital funding to start addressing the existing backlog.

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

**Note:** The costing will 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.

Additional maintenance is anticipated to commence in 2017-18 and take three years to complete. The cost of financing has been calculated at 2.5 per cent and is included in total capped 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)?

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue<sup>(a)</sup></b>	0	0	0	0	0
<b>Expenses<sup>(a)</sup></b>	0	-7,000	-7,000	-7,000	<b>-21,000</b>
<b>Capital</b>	0	-3,000	-3,000	-3,000	<b>-9,000</b>
<b>Depreciation</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?

Previous advice from the Transport Canberra and City Services Directorate on the degradation of existing road infrastructure around Canberra, and the need for more recurrent and capital funding.

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

Capped.

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 (for example, does an education proposal add to or redirect NERA funding).

No.

Will funding/the cost require indexation?
No.
Who will administer the proposal?
Transport Canberra and City Services Directorate.
How will the proposal be administered?
Repairs to be managed by Transport Canberra and City Services, using contractors as needed.
Is the proposal part of a broader package?
No.
Has an allowance been made for expenses necessary to support the implementation of this proposal?
<ul style="list-style-type: none"> <li>– If no, will the government agency be expected to absorb expenses associated with this proposal?</li> <li>– If yes, please specify the key assumptions.</li> </ul>
Capped costs to include additional contractor expenses in the event the Directorate is not resourced appropriately to carry out the maintenance.
Will the proposal generate savings or offsets?
The proposal will halt the maintenance backlog and save money in the future that would otherwise be spent on more expensive repairs.
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?
Capped costs are based on advice provided from the relevant Directorate, and this information has been provided to Treasury.
What are the community impacts associated with the proposal? Who and how many people will be affected?
Safer roads that last for longer to support our growing city.
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?
Funding to begin from 1 July 2017, with the Transport Canberra and City Services Directorate to determine priority areas for repair prior to that date.
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?
As above.
Will the proposal cease, and if so, when?
Funding allocation to cease on 30 June 2020.
Is there any additional information relevant to this proposal?
The ACT Government could draw on the local roads component of the Commonwealth's Financial Assistance Grant Entitlement for 2016-17 to partially pay for this proposal.