

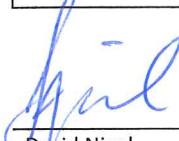
2016 Policy Commitment – Canberra Liberals

Name of Commitment:	Flashing Lights in School Zones	Reference Number: LIB002
Request Submitted by:	Jeremy Hanson MLA, Canberra Liberals	
Date Request Received:	21-Sep-16	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2016-17	2017-18	2018-19	2019-20	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a) (b)}	-16.3	-49.4	-89.9	-124.6	-280.2
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	-6.5	-26.1	-32.7
- Cost of Financing	-16.3	-49.4	-83.3	-98.5	-247.5
Expenses - Depreciation	0.0	-65.3	-196.0	-326.7	-588.1
Net Operating Balance	-16.3	-114.8	-285.9	-451.3	-868.3
Capital Requirement	-653.4	-1,306.8	-1,306.8	-522.7	-3,789.7
Cash Surplus/Deficit	-669.7	-1,356.2	-1,396.7	-647.3	-4,069.9

(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: The costing has been completed using a price by quantity methodology, based on estimates provided by the Transport Canberra and City Services Directorate (TCCS).
- Proposal Parameters: This costing assumes that administrative expenses associated with the program, including project management costs, would be absorbed by TCCS. The proposed program is capped at 435 flashing lights. The program is anticipated to commence in 2016-17 and take four years to complete. Cost of financing has been calculated at 2.5 per cent. Depreciation has been calculated on a straight line basis over a 10 year period. No indexation has been applied. Repairs and maintenance expenses are costed at zero per cent of the capital cost in the first year after construction, one per cent in the year after, and two per cent ongoing thereafter. Costs associated with the capital works such as design, feasibility, procurement and insurance, along with a contingency allowance, have been included. TCCS has advised it has no existing capability to install the flashing lights. As such, the cost of installing the flashing lights has been included.
Caveats or qualifications to the costing: NA
Other Comments: The flashing lights costed differ to those installed on Constitution Avenue, referred to in the costing request. The Constitution Avenue flashing lights were linked to traffic signals which increased their cost. The flashing lights costed are not connected to traffic signals, reducing their cost.
- Statistical Data Used: TCCS and Treasury estimates.



 David Nicol
 Under Treasurer
 28 September 2016