Request for Costing an Election Commitment

Name of policy proposal:	Roads upgrades
Person requesting costing:	Andrew Barr MLA, ACT Labor
Date of request:	06/10/2016
Summary of proposal:	ACT Labor will make a range of improvements to Canberra's roads, to accommodate the needs of a growing city, as part of an integrated transport plan.
Issue the proposal will address:	The proposal will improve Canberra's road network as part of an integrated transport plan.

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.

The funding will be capped and dollar limited.
Capital and recurrent costs have been assumed as follows:

- Gundaroo Dr: Capital funding of $34.0 million in 2017-18
- William Slim Dr: Capital funding of $37.0 million over two years ($17.0m in 2018-19, and $20.0m in 20 19-20), maintenance on the same basis as Gundaroo Dr.
- Road Design Works: Capital funding of $6.0 million ($3.0 million in each of 2018-19 and 2019-20, with an additional $2.0 million beyond the forward estimates and not included in this costing request).
- Road Resealing Blitz: Recurrent funding of $4.0 million ($1.0 million in 2018-19, $2.5 million in 2019-20, with an additional $2.5 million beyond the forward estimates and not included in this costing request).
- Intersection Upgrades: Capital funding of $2.0 million in 2019-20 (with an additional $13.7 million beyond the forward estimates and not included in this request).

Depreciation has not been included. As maintenance costs are not provided in the first year following construction, 1 per cent in the second year, and two percent in subsequent years.

This funding will be allocated against the "Infrastructure Investment Provision" – hence no cost of finance needs to be included. This request for costing only includes funding out to 2019-20 as per the Treasury costing guidelines.

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
Revenue[(a)]					
Expenses[(a)]			-1,000	-2,840	-3,840
Capital		-34,000	-20,000	-25,000	-79,000
Depreciation					

(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?
N/A
Where relevant, is funding for the proposal to be demand driven or a capped amount?
The funding is capped, and dollar limited.
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).
N/A
Will funding/the cost require indexation?
No.
Who will administer the proposal?
TCCS will meet any administration costs from internal resources.
How will the proposal be administered?
Through TCCS.
Is the proposal part of a broader package?
No.
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.
No. See above regarding TCCS internal resources.
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?
No.
What are the community impacts associated with the proposal? Who and how many people will be affected?
The whole community will benefit from an integrated transport network.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
N/A
What is the intended implementation date of the proposal?
1 July 2017
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?
Start date 1 July 2017.
Will the proposal cease, and if so, when?
Projects will continue until 30 June 2022-23, due to construction staging.
Is there any additional information relevant to this proposal?
Athllon Dr: $29.7 million over two years ($8m in 2020-21, and 21.7m in 2021-22) were included in the relevant announcement but are not included as these costs are beyond the Forward Estimates.