2016 Policy Commitment – ACT Labor

Name of Commitment:	**Container Deposit Scheme**
	Reference Number: LAB032
Request Submitted by:	Andrew Barr MLA, ACT Labor
Date Request Received:	05-Oct-16
Additional Information Requested (details and date)	N/A
Additional Information Received (details and date)	N/A

Financial Implications

Impact On:	**2016-17 $'000**	**2017-18 $'000**	**2018-19 $'000**	**2019-20 $'000**	**TOTAL $'000**
Revenues [(a)]	0.0	5,754.0	5,974.6	6,203.5	**17,932.1**
- Other Revenue	0.0	5,754.0	5,974.6	6,203.5	**17,932.1**
- Revenue Forgone	0.0	0.0	0.0	0.0	**0.0**
Expenses [(a) (b)]	0.0	-5,920.8	-6,014.0	-6,215.3	**-18,150.1**
- Employee Expenses	0.0	-849.9	-874.2	-899.2	**-2,623.2**
- Other Expenses	0.0	-5,058.5	-5,127.0	-5,303.0	**-15,488.4**
- Cost of Financing	0.0	-12.5	-12.8	-13.1	**-38.4**
Expenses - Depreciation	0.0	0.0	-100.0	-100.0	**-200.0**
Net Operating Balance	**0.0**	**-166.8**	**-139.4**	**-111.8**	**-418.0**
Capital Requirement	0.0	-500.0	0.0	0.0	**-500.0**
Cash Surplus/Deficit	0.0	-666.8	-39.4	-11.8	**-718.0**

(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 similar works undertaken by the ACT Government.

- Proposal Parameters:

The costing assumes that administrative expenses associated with the program would be absorbed by the Transport Canberra and City Services Directorate (TCCS).
The cost of financing has been calculated at 2.5 per cent.
Depreciation has been calculated on a straight-line basis over a five-year period.
Indexation of 2.5 per cent has been applied.
Repairs and maintenance expenses are costed at one per cent of the capital cost each year.
The costs associated with legislative change have not been included. It is assumed that these costs would be met from existing directorate resources.
Construction costs to modify collection points to suit the requirements of the Scheme and the potential purchase of additional land have not been considered.

Caveats or qualifications to the costing:

The intent of the costing request is to develop a cost neutral scheme. The available information indicates that this is possible. However, the financial impact of the Scheme would only be known after it is designed.

Other Comments:

The impact of the reduction in kerbside recycling on existing waste contracts has not been considered.

- Statistical Data Used:

TCCS and Treasury estimates.

David Nicol
Under Treasurer
10 October 2016