

Request for Costing an Election Commitment

Name of proposal:	A better network of paths and improved facilities for cyclists – Improve cycling infrastructure
Person requesting costing:	Alistair Coe MLA
Date of request:	15 October 2020
Summary of proposal:	The Canberra Liberals will invest \$5 million to improve cycling facilities at transport interchanges and major stops.
Issue the proposal will address:	Proposal will support active travel by improving cycle infrastructure.

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

Note: The costing will be 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 ACT Government will invest \$5 million to improve cycling facilities at transport interchanges and other major stops. This will include increasing secure bicycle storage facilities and change rooms. This will encourage more Canberrans to utilise cycling alongside public transport journeys.

Costings assume straight line depreciation based on a 40 year life. Cost of financing has been calculated at 1.6 per cent. Repair and maintenance expenses are costed at zero per cent of capital cost in the first year after construction, one per cent in the year after, and two percent ongoing thereafter.

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)?

	2020-21	2021-22	2022-23	2023-24	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)					
Expenses^(a)	-18.9	-56.8	-88.4	-124.9	-288.9
Capital	-1180	-2350	-1180		-4710
Depreciation		-29.5	-88.3	-117.8	-235.5

(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?
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?
N/A
Will funding/the cost require indexation?
No.
Who will administer the proposal?
The proposal will be administered by the Transport Canberra and City Services Directorate.
How will the proposal be administered?
The Transport Canberra and City Services Directorate will prioritise shovel-ready works as a stimulus measure and will engage with the community to determine infrastructure needed. Works will be progressively rolled out through each of the forward years.
Is the proposal part of a broader package?
This proposal forms part of the Canberra Liberals Policy on Transport.
Has an allowance been made for expenses necessary to support the implementation of this proposal?
<ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
The Transport Canberra and City Services Directorate will absorb any additional administrative costs associated with this proposal.
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?
N/A
What are the community impacts associated with the proposal? Who and how many people will be affected?
The new cycle infrastructure will deliver economic benefits through job creation. Improving the cycle network has transport as well as health and well-being benefits by enabling active travel; furthermore, cycling does not produce any emissions and is a clean form of transport.
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?
Works will commence as soon as practicable as part of economic stimulus measures.
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.
Proposal will provide funding for capital works improvements from 2020-21 to 2022-23. Initial shovel-ready works will commence as soon as practicable, and further projects will be progressively rolled out across each of the forward years.
Will the proposal cease, and if so, when?
Works must be completed before 1 July 2023.
Is there any additional information relevant to this proposal?
N/A