

Request for Costing an Election Commitment

Name of policy proposal:	Hard waste pickup
Person requesting costing:	Andrew Barr MLA, ACT Labor
Date of request:	28/09/2016
Summary of proposal:	ACT Labor will commission a private contractor to collect household hard waste (e.g. old indoor and outdoor furniture, TVs, computers) once per annum on a suburb by suburb rolling schedule on an ongoing basis. In addition, we will sponsor Givit to transfer useable items to people in need.
Issue the proposal will address:	The proposal will provide a hard waste collection service.

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 successful contractor will cover any capital costs required in the quoted service fee. The exact fee will be determined through a tender process.
- The program will be rolled out to all ACT households, including apartment complexes.
- The program does not cover mattress collection.
- It is assumed that all material collected would go to landfill.
- Includes communications campaign and establishment costs.
- \$160,000 per annum (indexed) will be provided through a grant to the Givit organisation to assess material and match goods with requests for goods through its network.

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)		-1,200	-500	-400	-2,100
Expenses^(a)		-5,000	-2,800	-2,900	-10,600
Capital					
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?

- Approx 144,000 households (including single dwellings and units) eligible to receive 1 free pickup each year
- 60 per cent take-up rate in 2017-18, 30 per cent in future years
- Cost per pick up of \$51 in 2017-18, rising to \$54 in 2019-20 for two cubic metres of material
- All costs are indexed at 2.5% per annum

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

The funding is 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).	N/A
Will funding/the cost require indexation?	All costs have been indexed at 2.5% per annum
Who will administer the proposal?	The TCCS directorate will meet any contract/policy 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? <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. 	Small allowance for communications and one-off set up costs.
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?	All households will benefit from an annual hard waste collection.
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?	Ongoing.
Is there any additional information relevant to this proposal?	N/A