

Request for Costing an Election Commitment

Name of policy proposal:	Gundaroo Drive Duplication (1 June 2015)
Person requesting costing:	Alistair Coe MLA, Shadow Treasurer
Date of request:	5 October 2016
Summary of proposal:	The Canberra Liberals will duplicate Gundaroo Drive from the Barton Highway to Mirrabei Drive.
Issue the proposal will address:	Address traffic congestion on Gundaroo Drive.

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.

- Funding for Stage 1 of the duplication (Mirrabei Drive to Gungahlin Drive) has already been provisioned for in the budget and construction due to be completed June 2017.
- Construction cost of stage 2, the Barton Highway to Gungahlin Drive is estimated to be \$32 million with an additional \$1 million (capitalised) for forward design.
- The \$32 million is based off a Roads ACT presentation which identified Stage 2 as \$32 million and an AECOM Report which identifies the same project as \$26 million.
- It is assumed that construction will begin in 2018-19 and take two years to complete.
- The cost of capital is calculated at 2.5% as per Treasury advice.
- It is assumed that depreciation and maintenance expenses will not occur until 2020-21 after construction is complete.

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)	0	-25	-425	-825	-1,275
Capital	0	-1,000	-16,000	-16,000	-33,000
Depreciation	0	0	0	0	0

(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?

Yes. Roads ACT presentation and AECOM Report.

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

Funding will be capped at the construction amount with ongoing maintenance.

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).
The project will be undertaken by third parties i.e. construction
Will funding/the cost require indexation?
No.
Who will administer the proposal?
The Transport Canberra and City Services Directorate.
How will the proposal be administered?
The proposal will be administered in line with existing arrangements that Transport Canberra and City Services Directorate use to undertake major road projects.
Is the proposal part of a broader package?
Yes. The duplication was announced as part of a broader roads package (other elements costed separately).
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.
No. Implementation will be met from within existing resources. Undertaking major road projects is considered business as usual for the Transport Canberra and City Services Directorate.
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?
Yes.
What are the community impacts associated with the proposal? Who and how many people will be affected?
Community impacts are expected to be positive once the project is complete due to the easing of traffic congestion.
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?
Design work will begin 2017-18 with construction due to begin by 2018-19.
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?
Construction is expected to be completed within two years.
Will the proposal cease, and if so, when?
Funding will cease once construction is complete, which is expected to be in 2019-20.

Is there any additional information relevant to this proposal?

No.