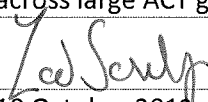


Request for Costing an Election Commitment

Name of election commitment:					
Person and party requesting costing:	Zed Seselja MLA, Leader of the Opposition				
Date of public release of election commitment, including source:	1 June 2012, media release 'Libs announce credit card parking machines'				
Summary of election commitment:	Introduce Credit Card Parking Machines				
Intention of election commitment:	Trial 10 credit card compatible parking machines across large ACT government all day car parks				
Signature of person requesting costing:					
Date of request for costing:	10 October 2012				
What are the key assumptions that have been made in the election commitment?					
<ul style="list-style-type: none"> - Cost of each machine is \$10,500 including GST (industry advice) and installation - One off recurrent costs include a \$5,000 account set up fee (industry advice) - Ongoing recurrent costs include \$50 per machine per month for licensing and \$90 per machine per month for maintenance (industry advice) - A procurement fee for credit card machines has been allocated in the 2012-13 budget - The cost of capital is calculated at 4.25% as per Treasury advice - See attached documents for further information 					
Where relevant, is the funding for the policy 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 election commitment? n/a					
Will funding/the cost require indexation? Recurrent costs are indexed at 2.5% as per Treasury advice					
What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this election commitment and estimated costs each year (if available)?					
	2012-13	2013-14	2014-15	2015-16	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)					
Expenses ^(a)	-49	-44	-49	-49	-191
Capital	210	0	0	0	210
(a) A negative number indicates a decrease in revenue or an increase in expenses.					
What is the likely take up? n/a					
Any other assumptions? The supporting documentation totals differ slightly due to the inclusion of the cost of capital above					

<i>Administration of the election commitment</i>	
How will the election commitment be administered?	In line with the existing administration of parking facility infrastructure
Who will administer the election commitment?	TAMS
Has an allowance been made for expenses necessary to support the implementation of this election commitment?	This policy is considered business as usual, however the purchase of the facility includes installation by the supplier
What is the intended implementation date of the election commitment?	As soon as practical in 2012-13
Are there transitional arrangements associated with election commitment implementation?	n/a
Are there any other assumptions that need to be considered?	n/a
When is the election commitment expected to be fully operational?	In the 2012-13 year
Will the election commitment cease and if so when?	This commitment is a trial, with a full rollout pending the take up of the machines

Credit Card Parking Machines – Costing Justification

Machine Facility - capital

Following consultation with key industry groups, the costs for the machine facility has been broken down into:

\$10,000 for the machine unit (including GST)

\$500 per machine for installation

Price per unit: \$10,500

Total price for 20 machines

= \$210,000

Recurrent Costs

Recurrent costs have been calculated following consultation with key industry groups.

Account set up fee is a one-off \$5,000

Licensing fees are \$50 per machine per month

= $50 \times 20 \times 12$

= \$12,000

Maintenance is calculated at \$90 per machine per month

= $90 \times 20 \times 12$

= \$21,600

Total maintenance and licensing fee = \$33,600

Any other associated fees involving the credit card facility will be met from within the existing TAMS budget.

The costs have been rounded up to the nearest \$5,000.

The forward estimates are indexed at 2.5% in line with the inflation outlook as per Budget Paper 3, page 251.

Credit Card Parking Machine Trial

	2012-13	2013-14	2014-15	2015-16
Machine Facilities (capital)	210,000	0	0	0
Account Set Up	5,000	0	0	0
Maintenance and Licensing	33,600	34,440	35,301	36,184
Total Capital	210	0	0	0
Total Recurrent	40	35	40	40

	Cost	Units	Total Cost
Machine Facility			
Unit	10,000	20	200,000
Installation	500	20	<u>10,000</u>
			<u>210,000</u>

	Cost	Units	Total Cost
Recurrent Costs			
Account Set Up	5,000	1	5,000
Licensing Fee (per month)	50	240	12,000
Maintenance (per month)	90	240	<u>21,600</u>
			<u>38,600</u>