

2024 Election Commitment – ACT Greens

Name of Commitment:	More Electric Vehicles	Reference Number: GRN004
Request Submitted by:	Shane Rattenbury MLA, ACT Greens	
Date Request Received:	08-Oct-24	
Additional Information Requested (details and date)	Please refer to costings a-c for additional information.	
Additional Information Received (details and date)	Please refer to costings a-c for additional information.	

Financial Implications					
Impact On:	2024-25	2025-26	2026-27	2027-28	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	-549.8	-6,389.5	-7,283.1	-5,635.8	-19,858.2
- Employee Expenses	-3.8	-63.8	-61.7	-30.8	-160.1
- Other Expenses	-526.3	-5,947.0	-6,430.5	-4,715.3	-17,619.1
- Cost of Financing	-19.7	-378.7	-790.9	-889.7	-2,079.0
Depreciation	0.0	0.0	-20.0	-120.0	-140.0
Concessional Loan Impacts:	-96.8	-1,627.5	-1,231.4	-200.4	-3,156.1
- Concessional Loan Expense	-115.8	-1,969.0	-1,853.2	-926.6	-4,864.6
- Unwinding of Concessional	19.0	341.5	621.8	726.2	1,708.5
Net Operating Balance	-646.6	-8,017.0	-8,534.5	-5,956.2	-23,154.3
Capital Outflows (Loan provided)	-375.0	-6,375.0	-6,000.0	-3,000.0	-15,750.0
Capital Inflows (Loan repayments)	37.5	675.0	1,275.0	1,575.0	3,562.5
Capital Requirement	-337.5	-6,200.0	-7,225.0	-1,425.0	-15,187.5
Cash Surplus/Deficit	-887.3	-12,589.5	-14,508.1	-7,060.8	-35,045.7
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

Other Information
Costing Methodology Used:
- Costing Technique:
Please refer to the following costings for the costing methodology: GRN004a – Motor Electric Vehicles – Concessional Loans – Pilot Program GRN004b – Motor Electric Vehicles – Concessional Loans – Zero Interest Loans for Businesses GRN004c – Motor Electric Vehicles – DC Chargers, Car Parks, Rebates and EV Training Centre
- Proposal Parameters:
Please refer to the following costings for the proposal parameters: GRN004a – Motor Electric Vehicles – Concessional Loans – Pilot Program GRN004b – Motor Electric Vehicles – Concessional Loans – Zero Interest Loans for Businesses GRN004c – Motor Electric Vehicles – DC Chargers, Car Parks, Rebates and EV Training Centre

Caveats or qualifications to the costing:

Please refer to the following costings for the caveats and qualifications:

GRN004a – Motor Electric Vehicles – Concessional Loans – Pilot Program

GRN004b – Motor Electric Vehicles – Concessional Loans – Zero Interest Loans for Businesses

GRN004c – Motor Electric Vehicles – DC Chargers, Car Parks, Rebates and EV Training Centre

Other Comments:

N/A

- Statistical Data Used:

Please refer to the following costings for the statistical data used:

GRN004a – Motor Electric Vehicles – Concessional Loans – Pilot Program

GRN004b – Motor Electric Vehicles – Concessional Loans – Zero Interest Loans for Businesses

GRN004c – Motor Electric Vehicles – DC Chargers, Car Parks, Rebates and EV Training Centre



Stuart Hocking PSM

Under Treasurer

16 October 2024

2024 Election Commitment – ACT Greens

Name of Commitment:	More Electric Vehicles – Zero Interest Loan Pilot for High Vehicle Use Businesses	Reference Number: GRN004a
Request Submitted by:	Shane Rattenbury MLA, ACT Greens	
Date Request Received:	08-Oct-24	
Additional Information Requested (details and date)	Treasury requested details regarding how the loan scheme would be administered, payment frequency, administration fees and default rate (9-Oct-2024).	
Additional Information Received (details and date)	The party noted that delivery and assumptions would be based on the Sustainable Household Scheme (09-Oct-2024).	

Financial Implications					
Impact On:	2024-25	2025-26	2026-27	2027-28	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
- Other Revenue	0.0	0.0	0.0	0.0	0.0
- Revenue Forgone	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	-49.8	-68.2	-33.5	-29.5	-181.0
- Employee Expenses	-3.8	-3.8	0.0	0.0	-7.6
- Other Expenses	-26.3	-27.0	0.0	0.0	-53.3
- Cost of Financing	-19.7	-37.4	-33.5	-29.5	-120.1
Depreciation	0.0	0.0	0.0	0.0	0.0
Concessional Loan Impacts:	-96.8	-79.1	33.9	30.9	-111.1
- Concessional Loan Expense	-115.8	-115.8	0.0	0.0	-231.6
- Unwinding of Concessional Loan Expense (Revenue)	19.0	36.7	33.9	30.9	120.5
- Interest Revenue Received on Concessional Loan	0.0	0.0	0.0	0.0	0.0
Net Operating Balance	-146.6	-147.3	0.4	1.4	-292.1
Capital Outflows (Loan provided)	-375.0	-375.0	0.0	0.0	-750.0
Capital Inflows (Loan repayments)	37.5	75.0	75.0	75.0	262.5
Capital Requirement	-337.5	-300.0	75.0	75.0	-487.5
Cash Surplus/Deficit	-387.3	-368.2	41.5	45.5	-668.5
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

Other Information
Costing Methodology Used:
- Costing Technique:
Total funding available under this proposal would be capped at \$750,000 which would be used to fund interest free loans to eligible businesses.
The concessional loan scheme which has been costed is based on continuation of the Sustainable Household Scheme.

- Proposal Parameters:

- The loan scheme would commence in 2024-25 with loans being provided over a two year period. The costing assumes that all loans provided in the first year are done so at the beginning of the year. Each loan would be a 10 year interest free loan with equal fortnightly repayments.
- The costing assumes \$15,000 interest free loans for 50 businesses, 25 in 2024-25 and 25 in 2025-26.
- Repayments received are calculated as equal instalments over the life of the loan. Financial impacts have been annualised for the purpose of this costing.
- A loan default (expected credit loss) rate of 1.67 per cent is assumed, consistent with rates assumed for similar schemes. This is not reflected in the Net Operating Balance above as this amount is recognised as other economic flows on initial recognition in the consolidated financial statements.
- It is assumed that the loans would be administered by an 'External Third Party Loan Administrator' who would provide loans directly to borrowers, recover principal repayments directly from borrowers and manage the loan scheme on a day-to-day basis. The loan management fee for the 'External Third Party Loan Administrator' is assumed to be included in the initial loan amount.
- The ACT Government's cost of financing is calculated at 5.25 per cent.
- The costing request assumes full take-up of the loan program.

Caveats or qualifications to the costing:

Financial impacts associated with this Concessional Loan Scheme may vary based on actual take-up and actual Credit Loss Expense rates.

In accordance with *AASB 9 Financial Instruments*, Treasury notes that there would be a non-cash impact on the Net Operating Balance reflecting the difference between the market borrowing interest rate and the zero interest rate it offers to borrowers. This would be reflected as an upfront expense (negative impact) to Government when the loan is provided, equal to the present value interest rate differential on the loan amount relative to the market rate at which the loan holder would otherwise have accessed financing (for the purposes of the costing assumed to be 7.35 per cent). Over the life of the loan, this expense would be unwound.

Treasury has included employee and other expenses based on 8 per cent, and indexed, of the loans to be provided in a given year to reflect the operational costs of administering this scheme.

If the scheme were to be administered outside of the Sustainable Household Scheme, Treasury expects the costs would be higher.

Other Comments:

Treasury's costing differs from that submitted due to: the inclusion of the cost of financing; the non-cash impact of the market borrowing interest rate and zero interest rate offered to borrowers; and the inclusion of employee and other expenses.

This costing only includes the concessional loans for the pilot program element of the ACT Greens election announcement More Electric Vehicles.

- Statistical Data Used:

The interest rate used for the market rate at which the loan holder would otherwise have accessed financing was a business lending rate published by the Reserve Bank of Australia. Treasury estimates.



Stuart Hocking PSM
Under Treasurer
16 October 2024

2024 Election Commitment – ACT Greens

Name of Commitment:	More Electric Vehicles – Zero Interest Loans for Businesses	Reference Number: GRN004b
Request Submitted by:	Shane Rattenbury MLA, ACT Greens	
Date Request Received:	08-Oct-24	
Additional Information Requested (details and date)	Treasury requested details regarding how the loan scheme will be administrated, payment frequency, administration fees and default rate (09-Oct-2024).	
Additional Information Received (details and date)	The party noted that delivery and assumptions would be based on the Sustainable Household Scheme (09-Oct-2024).	

Financial Implications					
Impact On:	2024-25	2025-26	2026-27	2027-28	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	0.0	-795.0	-1,090.7	-939.1	-2,824.8
- Employee Expenses	0.0	-60.0	-61.7	-30.8	-152.5
- Other Expenses	0.0	-420.0	-430.5	-215.3	-1,065.8
- Cost of Financing	0.0	-315.0	-598.5	-693.0	-1,606.5
Depreciation	0.0	0.0	0.0	0.0	0.0
Concessional Loan Impacts:	0.0	-1,548.4	-1,265.3	-231.3	-3,045.0
- Concessional Loan Expense	0.0	-1,853.2	-1,853.2	-926.6	-4,633.0
- Unwinding of Concessional Loan Expense (Revenue)	0.0	304.8	587.9	695.3	1,588.0
Net Operating Balance	0.0	-2,343.4	-2,356.0	-1,170.4	-5,869.8
Capital Outflows (Loan provided)	0.0	-6,000.0	-6,000.0	-3,000.0	-15,000.0
Capital Inflows (Loan repayments)	0.0	600.0	1,200.0	1,500.0	3,300.0
Net Capital Requirement	0.0	-5,400.0	-4,800.0	-1,500.0	-11,700.0
Cash Surplus/Deficit	0.0	-6,195.0	-5,890.7	-2,439.1	-14,524.8
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

Other Information
Costing Methodology Used:
- Costing Technique:
Total funding available under this proposal would be capped at \$15.0 million, which would be used to fund interest free loans to eligible businesses.
Concessional loan scheme which has been costed based on continuation of the Sustainable Household Scheme.

- Proposal Parameters:

- The loan scheme would commence in 2025-26 with loans being provided over a three year period. The costing assumes that all loans provided in the first year are done so at the beginning of the year. Each loan would be a 10 year interest free loan with equal fortnightly repayments.
- The costing assumes \$15,000 interest free loans for 1,000 small businesses, assuming 400 loans in 2025-26, 400 in 2026-27 and 200 in 2027-28.
- Repayments received are calculated as equal instalments over the life of the loan. Financial impacts have been annualised for the purpose of this costing.
- A loan default (expected credit loss) rate of 1.67 per cent is assumed, consistent with that assumed for similar schemes. This is not reflected in the Net Operating Balance above as this amount is recognised as other economic flows on initial recognition in the consolidated financial statements.
- It is assumed that the loans would be administered by an 'External Third Party Loan Administrator' who would provide loans directly to borrowers, recover principal repayments directly from borrowers and manage the loan scheme on a day-to-day basis. The loan management fee for the 'External Third Party Loan Administrator' is assumed to be included in the initial loan amount.
- The ACT Government's cost of financing is calculated at 5.25 per cent.
- The costing request assumes full take-up of the loan program.

Caveats or qualifications to the costing:

Financial impacts associated with this Concessional Loan Scheme may vary based on actual take-up and actual credit loss expense rates.

In accordance with *AASB 9 Financial Instruments*, Treasury notes that there would be a non-cash impact on the Net Operating Balance reflecting the difference between the market borrowing interest rate and the zero interest rate it offers to borrowers. This would be reflected as an upfront expense (negative impact) to Government when the loan is provided, equal to the present value interest rate differential on the loan amount relative to the market rate at which the loan holder would otherwise have accessed financing (for the purposes of the costing assumed to be 7.35 per cent). Over the life of the loan, this expense would be unwound.

Treasury has included employee and other expenses based on 8 per cent, and indexed, of the loans to be provided in a given year to reflect the operational costs of administering this scheme.

If the scheme were to be administered outside of the Sustainable Household Scheme, Treasury expects the costs would be higher.

Other Comments:

Treasury's costing differs from that submitted due to the: inclusion of the cost of financing; the non-cash impact of the market borrowing interest rate and zero interest rate offered to borrowers; and, the inclusion of employee and other expenses.

This costing only includes the zero interest loans for businesses element of the ACT Greens election announcement More Electric Vehicles.

- Statistical Data Used:

The interest rate used for the market rate at which the loan holder would otherwise have accessed financing was a business lending rate published by the Reserve Bank of Australia. Treasury estimates.



Stuart Hocking PSM
Under Treasurer
16 October 2024

2024 Election Commitment – ACT Greens

Name of Commitment:	More Electric Vehicles – DC Charges, Car Parks, Rebates and EV Training Centre		
	Reference Number: GRN004c		
Request Submitted by:	Shane Rattenbury MLA, ACT Greens		
Date Request Received:	08-Oct-24		
Additional Information Requested (details and date)	Treasury sought additional information on the scope and scale of the proposal, funding profile and resourcing requirements (09-Oct-24)		
Additional Information Received (details and date)	The party responded with additional information providing regarding the clarification sought (10-Oct-24).		

Financial Implications					
Impact On:	2024-25	2025-26	2026-27	2027-28	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	-500.0	-5,526.3	-6,158.9	-4,667.2	-16,852.4
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	-500.0	-5,500.0	-6,000.0	-4,500.0	-16,500.0
- Cost of Financing	0.0	-26.3	-158.9	-167.2	-352.4
Depreciation	0.0	0.0	-20.0	-120.0	-140.0
Net Operating Balance	-500.0	-5,526.3	-6,178.9	-4,787.2	-16,992.4
Capital Requirement	0.0	-500.0	-2,500.0	0.0	-3,000.0
Cash Surplus/Deficit	-500.0	-6,026.3	-8,658.9	-4,667.2	-19,852.4
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

Other Information
Costing Methodology Used:
- Costing Technique:
This costing includes multiple components, comprising fixed amounts of: <ul style="list-style-type: none"> • \$1.5 million in expense funding over two years from 2024-25 to 2025-26 for a grants program to deliver DC chargers in every town centre; • \$3.0 million of capital funding over two years from 2025-26 to 2026-27 for two solar covered car parks, which would include battery storage and EV charging; • \$10.0 million in expense funding over three years from 2025-26 to 2027-28 to provide \$4,000 rebates for low income renters and apartment residents; and • \$5.0 million in expense funding over three years from 2025-26 to 2027-28 to expand the capacity of the EV Training Centre.

- Proposal Parameters:

- The programs in the proposal would be delivered by the Environment, Planning and Sustainable Development Directorate (EPSDD) and the Transport Canberra and City Services Directorate (TCCS).
- Cost of financing has been calculated at 5.25 per cent.
- Depreciation has been calculated on a straight line basis over a 25-year period.
- The funding related to expansion of EV Training Centre covers a wide range of items including capital upgrades, staffing and skills training.
- The costing assumes TCCS park and ride sites would be selected to deliver the solar covered car parks, with the intention the selected car parks would be single level and range from 50 to 100 spaces.
- The costing excludes Commonwealth funding (ARENA) offset on the basis that this is not a decision that can be assured by this jurisdiction in isolation, and there is no certainty that this funding could be secured.

Caveats or qualifications to the costing:

- Treasury notes the advice of EPSDD that one Senior Officer Grade C that is funded until end 2024-25 would need to continue and potentially up another 2.5 x full-time equivalent (FTE) positions may also be required for project management and administration.
- Treasury notes capital costs are indicative only and would be fully informed by feasibility and design work.
- Treasury notes some of the costs associated with the EV Training Centre component may be capitalised once program design is finalised.
- Treasury notes the costs for delivering the DC charger component are indicative only and would be informed by feasibility, demand modelling and an understanding of construction constraints.
- Treasury notes that, subject to the implementation model selected, there may be revenue opportunities associated with solar covered car parks.
- Treasury considers repairs and maintenance for the solar cover car parks would be required from 2028-29.

Other Comments:

- Treasury's costing differs from that submitted due to the inclusion of cost of financing and depreciation.
- Treasury's costing differs from that submitted due to the exclusion of ARENA offsets.
- The cost absorbed by TCCS for project management is estimated at 0.5 x FTE Administrative Service Officer 5 from July 2025 to June 2027.
- The process for securing funding from ARENA is competitive and subject to meeting eligibility and innovation requirements.
- This costing only includes the DC chargers, Solar Cover car parks, rebates and EV training centre elements of the ACT Greens election announcement More Electric Vehicles.

- Statistical Data Used:

Treasury and EPSDD estimates.



Stuart Hocking PSM
Under Treasurer
16 October 2024