

Request for Costing an Election Commitment

Name of policy proposal:	Flashing Lights in School Zones (28 July 2016)
Person requesting costing:	Alistair Coe MLA, Shadow Treasurer
Date of request:	21 September 2016
Summary of proposal:	The Canberra Liberals will install flashing lights in 40km/h school zones in the ACT.
Issue the proposal will address:	Improve the safety of students by reminding motorists to slow down to 40km/h in school zones.

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.

- 145 schools in the ACT (taking account for co-location, multiple campuses and pre-schools).
- An average of 3 sets of lights needed per school (435 sets overall)
- Cost of \$15,000 for each set of lights, based off the cost of flashing lights previously installed on constitution avenue (may be cheaper given the Government ability to buy in bulk).
- 2016-17 will have 25 schools fitted (75 sets), 50 in 2017-18 (150 sets), 50 in 2018-19 (50 sets) and 20 in 2019-20 (60 sets).
- The allocation of lights will be installed on a priority basis, informed by TAMS and the Education and Training Directorate.
- Cost of capital is calculated at 2.5% as per Treasury advice.
- An operating and maintenance budget of \$1,500 per set of lights has been provisioned with a delay of one year. This should be conservative as solar powered lights will be given preference.

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)	-28	-197	-479	-728	-1,432
Capital	-1,125	-2,250	-2,250	-900	-6,525
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?

No.

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 (for example, does an education proposal add to or redirect NERA funding).
No.
Will funding/the cost require indexation?
No.
Who will administer the proposal?
TAMS in consultation with the Education and Training Directorate.
How will the proposal be administered?
TAMS will consult with the Education and Training Directorate on priority locations to plan the roll out of lights. Installation of lights will be administered in line with current practice for TAMS installing road signage.
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.
No. Installation of traffic signage is standard business for TAMS. Implementation will be met from within existing resources. An operating cost provision has been included.
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?
Community impacts are expected to be positive from increased safety.
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?
1 January 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?
The rollout of lights is staged. Full rollout is not expected until 2019-20.

Will the proposal cease, and if so, when?

The rollout of capital is expected to cease in 2019-20 with operating ongoing.

Is there any additional information relevant to this proposal?

See attached spreadsheet.