

Request for Costing an Election Commitment

Name of policy proposal:	Clean, green buses
Person requesting costing:	Shane Rattenbury MLA
Date of request:	30 September 2016
Summary of proposal:	A capped commitment to phase in new DDA Compliant clean energy buses, including electric buses and hybrid buses.
Issue the proposal will address:	Improved environmental outcomes by transitioning away from buses that run on diesel, and ensuring new buses are accessible for people who are older and people with a disability.

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.

Depreciation applied in a straight line over a 20 year period.

Finance costs of 2.5% to be applied to capital component.

Maintenance and repair costs have been factored at 1% in the year after purchase.

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)	0	0	0	0	0
Expenses^(a)	0	0	130	-715	-845
Capital	0	-13,000	-58,500	-58,500	-130,000
Depreciation	0	0	-650	-3,542.5	-4,192.5

(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 – Transperth Hybrid Bus Trial Evaluation (2014). Transport Canberra and City Services Directorate advice provided to Minister Rattenbury while Minister.

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?	N/A
Who will administer the proposal?	Transport Canberra and City Services Directorate
How will the proposal be administered?	Transport Canberra to phase in new clean buses.
Is the proposal part of a broader package?	No, noting that a separate commitment has been made to conduct two clean energy trials in 2017-18
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. 	Existing Transport Canberra vehicle management staff to take on the project of procuring new buses (absorbed).
Will the proposal generate savings or offsets?	No. Savings in fuel costs are offset by increased maintenance costs.
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. Transperth Hybrid Bus Trial Evaluation (2014). This has been provided to Treasury.
What are the community impacts associated with the proposal? Who and how many people will be affected?	Improved environmental outcomes – a more sustainable transport system.
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?	2017-18.
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?	Funding/phasing in to begin 2017-18
Will the proposal cease, and if so, when?	Capped commitment ceases 30 June 2020
Is there any additional information relevant to this proposal?	This commitment of funding covers, and extends upon, a commitment made by the ACT Government on 29 August to invest in 80 new buses.