

## 2024 Election Commitment – ACT Labor

<b>Name of Commitment:</b>	<b>Tuggeranong Footpath Fund</b>	<b>Reference Number:</b> LAB031
<b>Request Submitted by:</b>	Andrew Barr MLA, ACT Labor	
<b>Date Request Received:</b>	09-Oct-24	
<b>Additional Information Requested (details and date)</b>	N/A	
<b>Additional Information Received (details and date)</b>	N/A	

<b>Financial Implications</b>					
<b>Impact On:</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenues <sup>(a)</sup>	0.0	0.0	0.0	0.0	0.0
Expenses <sup>(a)(b)</sup>	0.0	0.0	0.0	0.0	0.0
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	0.0	0.0	0.0
- Cost of Financing	0.0	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	-31.3	-62.5	-93.8
<b>Net Operating Balance</b>	<b>0.0</b>	<b>0.0</b>	<b>-31.3</b>	<b>-62.5</b>	<b>-93.8</b>
Capital Requirement	0.0	-1,250.0	-1,250.0	-1,250.0	-3,750.0
Capital – Offset from ARP	0.0	1,250.0	1,250.0	1,250.0	3,750.0
<b>Net Capital Requirement</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash Surplus/Deficit</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation.</small>					

<b>Other Information</b>
<b>Costing Methodology Used:</b>
<b>- Costing Technique:</b>
The costing is for a fixed dollar amount of \$5.0 million over four years from 2025-26 to 2028-29 for the construction and upgrades of footpaths across the Tuggeranong Valley. As such, the scope of the proposal would need to be managed within this level of funding.
<b>- Proposal Parameters:</b>
<ul style="list-style-type: none"> <li>• The costing assumes that administrative expenses associated with the program would be absorbed by the Transport Canberra and City Services (TCCS) Directorate.</li> <li>• The costing assumes that the proposal would be fully offset from the TCCS Asset Renewal Program (ARP).</li> <li>• Upgrades are anticipated to commence in the 2025-26 financial year and be completed by 30 June 2029.</li> <li>• Given the proposal is to upgrade existing footpaths, no additional repairs and maintenance funding is included.</li> <li>• Depreciation is included as all works are assumed to improve existing assets, rather than extend their useful life, and has been calculated on a straight line basis over a 40-year period commencing at the end of each financial year.</li> <li>• Cost of financing has not been included as the project would be fully offset from existing funding (TCCS's ARP).</li> </ul>

**Caveats or qualifications to the costing:**

- The costing assumes the construction and upgrades of footpaths would be completed within the proposed funding cap of \$5.0 million.
- The costing assumes the construction and upgrades works would be administered by TCCS as part of its existing infrastructure delivery program.

**Other Comments:**

- Treasury's costing differs from that submitted due to depreciation being calculated over a 40-year period (the costing request assumed a 30-year period), consistent with TCCS's accounting treatment for assets of this nature.
- This costing only includes the footpath element of the ACT Labor election announcement Labor's Plan for Tuggeranong.
- The costing over the Budget and forward estimates years is \$3.750 million, and \$5.0 million over the four years from 2025-26 to 2028-29 inclusive.
- Treasury notes that the works included in the ARP are developed on an annual basis to address the areas of highest need/priority within each Directorate. Applying the ARP as an offset to the proposed projects would be done in advance of this assessment and would reduce the capacity of TCCS to apply ARP funding to extend the useful life or improve the service delivery capacity of other existing infrastructure assets.

**- Statistical Data Used:**

Treasury estimates.



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Stuart Hocking PSM  
Under Treasurer  
10 October 2024