

## Request for Costing an Election Commitment

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|----------------------------------|---|
| <b>Name of policy proposal:</b>  | <b>BNT (Bus n' Taxi) Trial</b>  |
| Person requesting costing:       | Shane Rattenbury MLA  |
| Date of request:                 | 30 September 2016   |
| Summary of proposal:             | <p>A capped allowance for the introduction of an on-demand public transport trial that combines taxi services with bus services during the weekend periods of Saturday (7:00am – 10:00pm), and Sunday (7:00am to 8:00pm).</p> <p>The trial would be confined to the Weston Creek and Tuggeranong areas, running for no more than a two month period during 2016-17.</p> <p>Under the trial, passengers would be able to arrange to be picked up by a taxi from their nearest suburban bus stop, and taken to a select number of bus interchanges to join major routes and more convenient suburban services.</p> <p>Passengers would incur no additional charges, with the cost of the taxi incorporated into the existing price of their bus ticket.</p> |
| Issue the proposal will address: | Proposal would address passenger waiting times and existing public transport coverage.  |

### **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.

Under the trial, public transport travel times for weekend services would be reduced by temporarily replacing some infrequent weekend neighbourhood bus lines with a taxi booking service. Higher frequency rapid bus routes would be introduced in Weston Creek (e.g continuing the 182 service on the weekends) during the trial period also.

Based on recent advice from the relevant Directorates who had previously costed this policy, costs for a two month trial of this nature in the Weston Creek region alone would be less than \$200,000. This cost was to cover the higher frequency bus routes, taxi hire, a concierge service, marketing, and a review of the trial.

We have assumed the cost of running the trial in a selected part of the Tuggeranong region (that is similar in geographical size and population to where the Weston Creek trial would be conducted) would be the same in price as the Weston Creek component.

An additional \$100,000 has been allocated to the trial in order to cover contingencies, as the trial is an on-demand service – e.g. additional taxis or other on costs not previously anticipated by the Directorate (such as additional marketing costs etc).

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 |
| <b>Revenue<sup>(a)</sup></b>  | 0       | 0       | 0       | 0       | 0      |
| <b>Expenses<sup>(a)</sup></b> | 0       | -500    | 0       | 0       | -500   |
| <b>Capital</b>                | 0       | 0       | 0       | 0       | 0      |
| <b>Depreciation</b>           | 0       | 0       | 0       | 0       | 0      |

(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?

Advice to Minister Rattenbury in December 2015, from Chief Minister, Treasury and Economic Development Directorate, who consulted with the Transport Canberra Transition Team, comprising of representatives from CMTEDD, Treasury, Transport Canberra and City Services Directorate, CMA and EPD.

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Dollar limited, up to the value of \$500,000.

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?

The Community Transport area of Transport Canberra and City Services Directorate

How will the proposal be administered?

Transport Canberra to establish a Project Board for the trial to oversee implementation and ensure appropriate management of risk.

Is the proposal part of a broader package?

No.

Has an allowance been made for expenses necessary to support the implementation of this proposal?

- If no, will the government agency be expected to absorb expenses associated with this proposal?
- If yes, please specify the key assumptions.

Project Board, monitoring and evaluation of the trial to be absorbed within existing budget. Any additional costs not already foreshadowed by the Directorate would also need to be borne from within the existing budget.

Will the proposal generate savings or offsets?

Savings associated from the suspension of infrequent neighbourhood bus lines would likely be redirected into the establishment of a higher frequency bus routes, and cover any additional unforeseen costs associated with the trial.

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. Advice to Minister Rattenbury in December 2015, from Chief Minister, Treasury and Economic Development Directorate, who consulted with the Transport Canberra Transition Team, comprising of representatives from CMTEDD, Treasury, Transport Canberra and City Services Directorate, CMA and EPD.

What are the community impacts associated with the proposal? Who and how many people will be affected?

Improved public service travel responsiveness and quicker travel times on the weekend.

Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?

Yes. Consultation and further planning to be undertaken by the Project Board, including consultation with relevant stakeholders, the development of a communication strategy prior to the trial start date, a system to allow on demand tickets to be purchased, and a risk management framework.

What is the intended implementation date of the proposal?

Subject to planning and further development of the trial during 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?

Subject to planning and further development of the trial during 2017-18

Will the proposal cease, and if so, when?

During 2017-18. Trial will run for two months, followed by an evaluation.

Is there any additional information relevant to this proposal?

No.