

## Request for Costing an Election Commitment

<b>Name of policy proposal:</b>	<b>Active Travel Upgrades</b>
Person requesting costing:	Shane Rattenbury MLA
Date of request:	30 September 2016
Summary of proposal:	An additional investment of approximately \$60 million (\$60.22 million) for a major rollout of quality walking and cycling infrastructure across Canberra.
Issue the proposal will address:	Proposal will improve active travel opportunities, encourage more people to use active travel, and improve safety and connectivity.

### 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.

Construction is anticipated to commence in 2017-18 and take three years to complete.

The cost of financing has been calculated at 2.5 per cent.

Depreciation has been calculated on a straight line basis over a 50 year period.

Repairs and maintenance expenses are costed at zero per cent of the capital cost in the first year after construction, one per cent the year after, and two per cent ongoing thereafter.

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	-0	-663.9	-1,517.6	<b>-2,181.5</b>
<b>Capital</b>	-0	-18,969.3	-18,969.3	-18,969.3	<b>-56,907.9</b>
<b>Depreciation</b>			-379.4	-751.2	<b>-1,130.6</b>

(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?
Transport Canberra and City Services Directorate.
How will the proposal be administered?
Capital Works to be commence in 2017-18.
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"> <li>– If no, will the government agency be expected to absorb expenses associated with this proposal?</li> <li>– If yes, please specify the key assumptions.</li> </ul>
Directorate to absorb expenses associated with consultation and monitoring of capital works.
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?
Proposal will improve active travel opportunities, encourage more people to use active travel, and improve safety and connectivity.
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?
To begin from 1 July 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?
To begin from 1 July 2017.
Will the proposal cease, and if so, when?
30 June 2020.
Is there any additional information relevant to this proposal?
No.