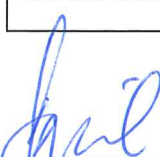


2016 Policy Commitment – ACT Greens

Name of Commitment:	Ensuring our existing roads remain sustainable	Reference Number: GRN024
Request Submitted by:	Shane Rattenbury MLA, ACT Greens	
Date Request Received:	30-Sep-16	
Additional Information Requested (details and date)	Clarification was sought on the rationale for capitalising \$3 million per annum for roads maintenance; 05-Oct-16.	
Additional Information Received (details and date)	Advice was provided that the funding split included a component for capital works funding to reconstruct or widen existing roads and that this amount was to include the cost of financing; 05-Oct-16.	

Financial Implications					
Impact On:	2016-17	2017-18	2018-19	2019-20	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a) (b)}	0.0	-7,073.2	-7,146.4	-7,219.5	-21,439.0
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	-7,000.0	-7,000.0	-7,000.0	-21,000.0
- Cost of Financing	0.0	-73.2	-146.4	-219.5	-439.0
Expenses - Depreciation	0.0	0.0	-39.0	-77.1	-116.1
Net Operating Balance	0.0	-7,073.2	-7,185.4	-7,296.6	-21,555.1
Capital Requirement	0.0	-2,927.0	-2,854.0	-2,780.0	-8,561.0
Cash Surplus/Deficit	0.0	-10,000.2	-10,000.4	-9,999.5	-30,000.0
<p>(a) A negative number indicates a decrease in revenue or an increase in expenses.</p> <p>(b) Excludes depreciation expenses.</p>					

Other Information
Costing Methodology Used:
- Costing Technique: Treasury has costed this commitment as a fixed dollar amount. The scope would need to be managed within this level of funding.
- Proposal Parameters:
No indexation has been applied. Depreciation has been calculated on a straight-line basis over a 75-year period. No maintenance funding has been provided for the capital upgrade works as these are existing roads and funding for maintenance is already included in Transport Canberra and City Services Directorate (TCCS) estimates. The costing assumes that administrative expenses associated with the program would be absorbed by TCCS.
Caveats or qualifications to the costing:
N/A
Other Comments:
The recurrent funding will predominantly be spent on road resurfacing. The capital works funding will rehabilitate existing roads that need reconstruction and include works such as road shoulder widening to facilitate heavy vehicles or re-establishing the correct road profile.
- Statistical Data Used:
TCCS and Treasury estimates.



 David Nicol
 Under Treasurer
 7 October 2016