

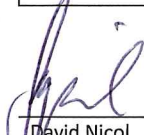
**2016 Policy Commitment – ACT Greens**

<b>Name of Commitment:</b>	<b>Clean, green buses</b>	<b>Reference Number:</b> GRN014
<b>Request Submitted by:</b>	Shane Rattenbury MLA, ACT Greens	
<b>Date Request Received:</b>	30-Sep-16	
<b>Additional Information Requested (details and date)</b>	Clarification was sought as to how this commitment related to an ACT Government decision to purchase an additional 80 buses; 05-Oct-16.	
<b>Additional Information Received (details and date)</b>	Advice was received that the capital purchase cost for the 80 additional buses announced on 29 August 2016 by the ACT Government should be deducted from this commitment, and that the cost of converting some of these buses from diesel to hybrid should be included; 05-Oct-16.	

<b>Financial Implications</b>					
<b>Impact On:</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</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	-210.0	-1,225.3	-2,265.9	-3,701.1
- 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	-210.0	-1,225.3	-2,265.9	-3,701.1
Expenses - Depreciation	0.0	0.0	-420.0	-2,440.0	-2,860.0
<b>Net Operating Balance</b>	<b>0.0</b>	<b>-210.0</b>	<b>-1,645.3</b>	<b>-4,705.9</b>	<b>-6,561.1</b>
<b>Capital Requirement</b>	<b>0.0</b>	<b>-8,400.0</b>	<b>-40,400.0</b>	<b>-40,400.0</b>	<b>-89,200.0</b>
<b>Cash Surplus/Deficit</b>	<b>0.0</b>	<b>-8,610.0</b>	<b>-41,625.3</b>	<b>-42,665.9</b>	<b>-92,901.1</b>

(a) A negative number indicates a decrease in revenue or an increase in expenses.  
(b) Excludes depreciation expenses.

<b>Other Information</b>
<b>Costing Methodology Used:</b>
<b>- Costing Technique:</b> Treasury has costed the commitment as a fixed level of capital investment. The scope of the commitment would need to be managed within this level of funding.
<b>- Proposal Parameters:</b> The costing assumes 40 buses from the Rapid Bus Network (p.11 in the 2016 Pre-Election Budget Update (PEBU)) are hybrid and not diesel. The costing assumes that administrative expenses associated with the program would be absorbed by the Transport Canberra and City Services Directorate (TCCS). The cost of financing has been calculated at 2.5 per cent. Repairs and maintenance expenses are not included. Existing fleet buses that are to be replaced already have allocated repairs and maintenance funding, and the additional 80 buses have repairs and maintenance funding allocated through the 2016 PEBU. Depreciation has been calculated on a straight-line basis over a 20-year period. Based on an indicative purchase price of \$720,000 per hybrid bus, this proposal would upgrade 40 of the committed new diesel buses to hybrid and replace 112 diesel buses in the existing fleet.
<b>Caveats or qualifications to the costing:</b> The costing assumes that savings in fuel costs are offset by increased maintenance costs for the hybrid buses. It is assumed that industry has the capacity to deliver the program and that there are no constraints on access to the new buses. For this costing, 40 of the committed diesel buses (disclosed in the 2016 PEBU) have been converted to hybrid buses in the 2017-18 financial year. The remaining funding in 2018-19 and 2019-20 will be used to replace existing diesel buses with hybrid buses.
<b>Other Comments:</b> The purchase price would need to be confirmed via an open tender process and the number of buses that could be purchased would be subject to change.
<b>- Statistical Data Used:</b> Treasury estimates are based on data from the TransPerth Hybrid Trial conducted in 2014 for the Public Transport Authority of Western Australia, and advice provided by TCCS.

  
David Nicol  
Under Treasurer  
// October 2016