

Calculator to Estimate Contract Payment Under the Bus Cost Model

(July 2009 Values)
(July 2009 Capital and Interest Values)

Example calculation based on average large bus contract

Summary (ex GST)	Example	Your Figures
<i>Daily Kilometres</i>	95	
<i>Bus Size</i>	Large	
<i>Average Speed (km/hr)</i>	40	
Fixed Operating Costs	\$12,391	
Capital Cost	\$16,731	
Driver's Wages	\$13,065	
Vehicle Operating Costs	\$14,884	
Return on Capital Allowance	\$2,263	
Contract Total (ex GST)	\$59,333	
<i>GST Rate</i>	10%	
GST on Fixed Operating Costs	\$1,239	
GST on Capital Allowance	\$1,673	
GST on Drivers Wages	\$1,306	
GST on Vehicle Operating Costs	\$1,488	
GST on Return on Capital Allowance	\$226	
Total GST	\$5,933	
Contract Total (inc GST)	\$65,267	

Fixed Operating Costs (exc GST)

Administration Wage Rate (\$/week)	\$721.30 per week		
Weekly Hours	38.0 hours		
Casual Rate Loading	20%		
Administration Wage Rate (\$/hr)	\$22.78 per hour		
Labour On Costs (Super, LSL, Workers Comp)	15%		
Administration Hours (per month)	11.0		
Insurance (% of Average Bus Value)	1.20%	or	\$541 <i>whichever is the greater</i>
Distance to Inspection Station (km)	20		
Bus Cleaning (hrs/wk)	1.5		

Cost Item	BCM Agreed Value	Includes GST	Value at July 2009 (\$)			
			Extra large	Large	Medium	Small
Insurance & Registration						
MAIB Insurance Premium	864.00	Yes	785.45			
Comprehensive Vehicle Insurance		No	1357.89	1280	818	1406
Depot Insurance	120.24	Yes	109.31			
Public Liability Insurance	1091.48	Yes	992.25			
Vehicle Registration	472.85	No	472.85			
Safety Costs						
Biannual DIER Safety Inspection						
- Vehicle Check	100.34	Yes	91.22			
- Brake Efficiency test	172.10	yes	156.45			
- Remote Inspection	108.99	Yes	99.09			
Travel to DIER Inspection Station (<40 km)	73.34	No	73.34			
Fire Safety Inspection	28.50	No	28.50			
Operating & Maintenance						
Depot/Garaging Costs	1247.94	No	1247.94			
Depot Operating Cost	119.94	No	119.94			
Depot Maintenance Cost	239.83	No	239.83			
Bus Cleaning Consumables	318.57	Yes	289.61			
Bus Cleaning Labour		No	1339.98			
Administration						
Administration/Customer Service		No	3458.00			
Accounting Fees	625.00	Yes	568.18			
Bank Charges	300.00	No	300.00			
Administration Consumables	95.94	Yes	87.22			
Phone/Fax Line - Business Line Complete						
- Rental	419.40	Yes	381.27			
- Call Charges (70/month @ 22 cents)	184.80	Yes	168.00			
Office Furniture and Equipment	101.94	No	101.94			
Sub-Total Fixed Operating Costs			\$12,468	\$12,391	\$11,929	\$12,516

Distance to Inspection Station		
0		\$73
40		\$266
80		\$610

Bus Capital Cost (exc GST)

	Extra Large	Large	Medium	Small	New	UFSO
Maximum Age	25	25	20	10	20	20
- Purchase Price (Motor Registry 13 - 16 yr old, 2005-2008)	80,667	74,200	42,000	103,250	350,000	200,000
- Refurbishment	32,491	32,491	26,202	13,884	0	0
Capital Allowance	\$113,158	\$106,691	\$68,202	\$117,134	\$350,000	\$200,000
Residual Value	\$13,500	\$13,500	\$16,000	\$28,000	\$35,000	\$50,000
Cost of Finance	7.34%	7.34%	7.34%	8.14%	8.14%	7.34%
Cost of Equity Capital	22%	22%	22%	22%	22%	22%
% Debt Financed	80%	80%	90%	100%	100%	80%
Weighted Cost of Capital	10.27%	10.27%	8.81%	8.14%	8.14%	10.27%

* Provisional figures for bus capital cost only. Subject to change prior to offer of New Service Contract

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Bus Age at Purchase	Extra Large	Large	Medium	Small	New	UFSO
0	\$17,796	\$16,731	\$9,474	\$15,647	\$35,267	\$29,834
1	\$17,796	\$16,731	\$9,474	\$15,196	\$34,324	\$29,834
2	\$17,796	\$16,731	\$9,474	\$14,754	\$33,393	\$29,834
3	\$17,796	\$16,731	\$9,474	\$14,321	\$32,477	\$29,834
4	\$17,796	\$16,731	\$9,474	\$13,897	\$31,574	\$29,834
5	\$17,796	\$16,731	\$9,474	\$13,483	\$30,686	\$29,834
6	\$17,796	\$16,731	\$9,474	\$13,077	\$29,813	\$29,834
7	\$17,796	\$16,731	\$9,474	\$12,682	\$28,954	\$29,834
8	\$17,796	\$16,731	\$9,474	\$12,295	\$28,111	\$29,834
9	\$17,796	\$16,731	\$9,474	\$11,918	\$27,282	\$29,834
10	\$17,796	\$16,731	\$9,474	\$11,918	\$26,470	\$29,834
11	\$17,796	\$16,731	\$9,184	\$0	\$25,673	\$28,832
12	\$17,796	\$16,731	\$8,900	\$0	\$24,891	\$27,852
13	\$17,796	\$16,731	\$8,622	\$0	\$24,126	\$26,897
14	\$17,796	\$16,731	\$8,351	\$0	\$23,378	\$25,966
15	\$17,796	\$16,731	\$8,086	\$0	\$22,645	\$25,058
16	\$17,130	\$16,108	\$7,827	\$0	\$21,929	\$24,176
17	\$16,479	\$15,500	\$7,574	\$0	\$21,230	\$23,318
18	\$15,844	\$14,906	\$7,328	\$0	\$20,547	\$22,485
19	\$15,226	\$14,328	\$7,089	\$0	\$19,881	\$21,677
20	\$14,623	\$13,764	\$7,089	\$0	\$19,881	\$21,677
21	\$14,036	\$13,216	\$0	\$0	\$0	\$0
22	\$13,466	\$12,683	\$0	\$0	\$0	\$0
23	\$12,913	\$12,165	\$0	\$0	\$0	\$0
24	\$12,376	\$11,663	\$0	\$0	\$0	\$0
25	\$12,376	\$11,663	\$0	\$0	\$0	\$0
26	\$0	\$0	\$0	\$0	\$0	\$0

Note: The payment when first entering into a New Service Contract is based on the age of the bus at the time of signing the contract. The capital payment for the period over which the bus is within the permitted age does not reduce. It does not decline as the bus age increases. For example if a large bus is purchased at 19 years of age, then for the next 6 years the contract payment will include the amount of \$12,016 for bus capital.

Drivers Wages (ex GST)

Driver Weekly Rate	\$615.00 per week
Weekly Hours	38.0 hours
Casual Rate Loading	20%
Driver Hourly Rate	\$19.42 per hour
Minimum Call Out Hours*	1.0 hours
Labour On Costs (Super, LSL, Workers Comp)	15%
Morning Inspection Time	15 mins
Afternoon Waiting Time	10 mins
Round Time up to Nearest Minutes	15 mins
Average Speed	40 km/hr
Contract Days	195

* Does not include morning Inspection or afternoon waiting times.

Daily Kilometres (Loaded plus Unloaded)	Wage Cost*
20	\$10,887
25	\$10,887
30	\$10,887
35	\$10,887
40	\$10,887
45	\$10,887
50	\$10,887
55	\$10,887
60	\$10,887
65	\$10,887
70	\$10,887
75	\$10,887
80	\$10,887
85	\$11,976
90	\$13,065
95	\$13,065
100	\$13,065
105	\$14,154
110	\$15,242
115	\$15,242
120	\$15,242
125	\$16,331
130	\$17,420
135	\$17,420
140	\$17,420
145	\$18,508
150	\$19,597
155	\$19,597
160	\$19,597
165	\$20,686
170	\$21,775
175	\$21,775
180	\$21,775
185	\$22,863
190	\$23,952
195	\$23,952
200	\$23,952
205	\$25,041
210	\$26,130
215	\$26,130
220	\$26,130
225	\$27,218

* Note that each contract will be paid according to its actual average speed and these figures are illustrative only

Vehicle Operating Costs (ex GST)

	Extra Large	Large	Medium	Small
Fuel Consumption (l/100km)	35.1	32.9	21.8	15.5
Contract Location*	North			
Gross Fuel Cost (BP Card)	124.31 c/l			
Fuel Grants Scheme Rebate	16.44 c/l			
Net Fuel Cost (c/l ex GST)	107.87			
Variable Operating Costs (cents/km)	49.77	44.86	37.82	28.89

* The North West is used in this example. Please note the different fuel prices shown below the table.

Daily Kilometres (Loaded plus Unloaded)

20	\$3,418	\$3,133	\$2,392	\$1,779
25	\$4,272	\$3,917	\$2,990	\$2,224
30	\$5,127	\$4,700	\$3,588	\$2,668
35	\$5,981	\$5,484	\$4,186	\$3,113
40	\$6,836	\$6,267	\$4,784	\$3,558
45	\$7,690	\$7,050	\$5,383	\$4,003
50	\$8,544	\$7,834	\$5,981	\$4,447
55	\$9,399	\$8,617	\$6,579	\$4,892
60	\$10,253	\$9,400	\$7,177	\$5,337
65	\$11,108	\$10,184	\$7,775	\$5,781
70	\$11,962	\$10,967	\$8,373	\$6,226
75	\$12,817	\$11,750	\$8,971	\$6,671
80	\$13,671	\$12,534	\$9,569	\$7,116
85	\$14,526	\$13,317	\$10,167	\$7,560
90	\$15,380	\$14,101	\$10,765	\$8,005
95	\$16,234	\$14,884	\$11,363	\$8,450
100	\$17,089	\$15,667	\$11,961	\$8,895
105	\$17,943	\$16,451	\$12,559	\$9,339
110	\$18,798	\$17,234	\$13,157	\$9,784
115	\$19,652	\$18,017	\$13,755	\$10,229
120	\$20,507	\$18,801	\$14,353	\$10,673
125	\$21,361	\$19,584	\$14,951	\$11,118
130	\$22,215	\$20,367	\$15,550	\$11,563
135	\$23,070	\$21,151	\$16,148	\$12,008
140	\$23,924	\$21,934	\$16,746	\$12,452
145	\$24,779	\$22,718	\$17,344	\$12,897
150	\$25,633	\$23,501	\$17,942	\$13,342
155	\$26,488	\$24,284	\$18,540	\$13,787
160	\$27,342	\$25,068	\$19,138	\$14,231
165	\$28,197	\$25,851	\$19,736	\$14,676
170	\$29,051	\$26,634	\$20,334	\$15,121
175	\$29,905	\$27,418	\$20,932	\$15,565
180	\$30,760	\$28,201	\$21,530	\$16,010
185	\$31,614	\$28,984	\$22,128	\$16,455
190	\$32,469	\$29,768	\$22,726	\$16,900
200	\$34,178	\$31,335	\$23,922	\$17,789
205	\$35,032	\$32,118	\$24,520	\$18,234
210	\$35,887	\$32,901	\$25,119	\$18,679
215	\$36,741	\$33,685	\$25,717	\$19,123
220	\$37,595	\$34,468	\$26,315	\$19,568
225	\$38,450	\$35,251	\$26,913	\$20,013

BP Fuel Card Cost (c/l)	ex GST	inc GST
South	123.24	135.56
North	123.02	135.32
North west	123.14	135.45
Bass Strait Islands	129.68	142.65

Return on Capital Allowance* (ex GST)

Return on Capital	15.25%
Working Capital (% of Operating Costs)**	3.10%
Working Capital (% of Capital Cost)	4.10%
Infrastructure Costs	\$6,039
Tools	\$1,313
Contingencies	\$2,626
Short Term Bus Hire (weeks)	2

Daily Kilometres (Loaded plus Unloaded)	Extra Large	Large	Medium	Small
20	\$2,108	\$2,088	\$1,971	\$2,058
25	\$2,119	\$2,098	\$1,979	\$2,063
30	\$2,129	\$2,108	\$1,986	\$2,069
35	\$2,140	\$2,118	\$1,994	\$2,075
40	\$2,151	\$2,128	\$2,001	\$2,080
45	\$2,162	\$2,138	\$2,009	\$2,086
50	\$2,172	\$2,147	\$2,016	\$2,091
55	\$2,183	\$2,157	\$2,024	\$2,097
60	\$2,194	\$2,167	\$2,031	\$2,102
65	\$2,204	\$2,177	\$2,039	\$2,108
70	\$2,215	\$2,187	\$2,046	\$2,114
75	\$2,226	\$2,197	\$2,054	\$2,119
80	\$2,237	\$2,206	\$2,061	\$2,125
85	\$2,261	\$2,230	\$2,082	\$2,144
90	\$2,285	\$2,253	\$2,104	\$2,163
95	\$2,296	\$2,263	\$2,111	\$2,169
100	\$2,307	\$2,273	\$2,119	\$2,174
105	\$2,331	\$2,297	\$2,140	\$2,194
110	\$2,356	\$2,320	\$2,161	\$2,213
115	\$2,366	\$2,330	\$2,168	\$2,218
120	\$2,377	\$2,340	\$2,176	\$2,224
125	\$2,401	\$2,363	\$2,197	\$2,243
130	\$2,426	\$2,387	\$2,218	\$2,263
135	\$2,437	\$2,397	\$2,226	\$2,268
140	\$2,447	\$2,406	\$2,233	\$2,274
145	\$2,472	\$2,430	\$2,254	\$2,293
150	\$2,496	\$2,453	\$2,276	\$2,312
155	\$2,507	\$2,463	\$2,283	\$2,318
160	\$2,517	\$2,473	\$2,291	\$2,323
165	\$2,542	\$2,496	\$2,312	\$2,343
170	\$2,566	\$2,520	\$2,333	\$2,362
175	\$2,577	\$2,530	\$2,341	\$2,367
180	\$2,588	\$2,540	\$2,348	\$2,373
185	\$2,612	\$2,563	\$2,369	\$2,392
190	\$2,636	\$2,587	\$2,390	\$2,411
195	\$2,658	\$2,606	\$2,405	\$2,423
200	\$2,669	\$2,616	\$2,413	\$2,428
205	\$2,693	\$2,640	\$2,434	\$2,447
210	\$2,717	\$2,663	\$2,455	\$2,467
215	\$2,728	\$2,673	\$2,463	\$2,472
220	\$2,739	\$2,683	\$2,470	\$2,478

* Presumes that bus is purchased at minimum age for given bus size

** Presumes continued payments at end of the month. If payments made at beginning of month rate changes to 1%

Do not Touch!!!!

Extra Large	Large	Medium	Small
2	3	4	5
2	3	5	7

Index Changes

	Fuel Price (ex (Maintenance/P Labour	CPI
Jun-06	126.46	133.1
Dec-06	133.21	137.6
Jun-07	117.15	138.3
Dec-07	123.06	136.7
Jul-08	159.50	135.9