



Bus Cost Model

Core Passenger Services Review



4 Components

- Operating Costs
- Capital Costs
- Profit
- Indexation



Operating Costs (1)

- MAIB
- Registration
- Insurance
 - Comprehensive
 - Public Liability
- Safety Inspection
- Travel to Inspection
- Fire Safety Inspection



Operating Costs (2)

- Depot Costs
 - Operating
 - Garaging
 - Maintenance
 - Insurance
- Bus Cleaning
 - Labour
 - Consumables



Operating Costs (3)

- Administration/Customer Service
- Accounting Fees
- Bank Charges
- Administration Consumables
- Phone/Fax
 - Rental
 - Calls
- Office Furniture & Equipment



Operating Costs (4)

- Fuel
 - Consumption
 - Price
- Other Bus Operating Costs
- Drivers Wages



Capital Costs

- Bus age at purchase & Maximum Bus Age
- Purchase Cost & Refurbishment Allowance
- Residual Value
- Interest Rate
 - Level of debt financed
 - Cost equity finance
 - Cost of using non-bus assets as security
- Capital Payment based on Lease Calculation



Profit Allowance

- Return on capital for school bus contract
 - Overdraft
 - Infrastructure
 - Tools
 - Contingencies
 - Replacement bus costs
- Timing of payments affects allowance



Indexation

- Based on changes in operating costs
- Monthly indexation of payments
- No hurdle rate
- Capital NOT explicitly indexed
- Neither is profit



Other Items

- Accreditation Costs
- NRTC Rebate
- Shipping
- Stamp duty