Bus Cost Model

Core Passenger Services Review
4 Components

- Operating Costs
- Capital Costs
- Profit
- Indexation
Operating Costs

- MAI B
- 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