


Request for Costing an Election Commitment

Name of election commitment:	Establish a \$2 million Water Care Fund
Person and party requesting costing:	Meredith Hunter, ACT Greens Parliamentary Leader
Date of public release of election commitment, including source:	30 th July 2012, http://act.greens.org.au/sites/greens.org.au/files/Lakes_Initiative_Final.pdf (point 3, page 4)
Summary of election commitment:	This commitment involves \$2 million worth of grants over 4 years being provided for groups working to (a) educate the ACT community about water pollution and (b) enhance the condition of the ACT's catchments through monitoring and management practices. The funds could be used to support practical management and monitoring initiatives, including clean-up days, water testing, planting days etc. as well as education and awareness strategies such as the development and distribution of customized materials (flyers, factsheets, posters for displaying in offices etc.) for homes, schools and businesses. Grants would be announced annually and awarded according to a competitive application process. Administration costs are included in this initiative and are additional to the \$2 million.
Intention of election commitment:	Improve water quality and better equip existing groups and organisations such as Water Watch, River Smart and Lake Care to educate the community about water protection and enhancement practices.
Signature of person requesting costing:	
Date of request for costing:	3/9/12
What are the key assumptions that have been made in the election commitment?	
<p>Note: that where the request to cost an election commitment differs from the public announcement, the costing will be on the basis of information provided in the costing request.</p> <p>Note: it will be up to the professional judgment of the Director-General as to whether these assumptions are adopted in the costing of the election commitment.</p>	
Where relevant, is the funding for the policy to be demand driven or a capped amount?	
Funding for the initiative is a capped amount.	
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment?	
The initiative will be delivered by third parties through a typical grants process	
Will funding/the cost require indexation?	
The total amount provided in grants will remain the same. The administrative expenses associated with the grants have been indexed as set out below.	
What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this election commitment and estimated costs each year (if available)?	

	2012-13	2013-14	2014-15	2015-16	2016-17	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)						
Expenses ^(a)		-624	-627	-630	-634	-2,515
Capital						

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

What is the likely take up?

N/A as this is dollar limited.

Any other assumptions?

A breakdown of the above recurrent costs is as follows:

	2013/14	2014/15	2015/16	2016/17	TOTAL
	'000	'000	'000	'000	'000
Grants ¹	-520	-520	-520	-520	-2,080
Administration -salaries	-88.924	-91.502	-94.156	-96.886	-371.468
Administration – operating budget	-15.375	-15.759	-16.153	-16.557	-63.844
Total ²	-624	-627	-630	-634	-2,515

The rationale for providing the above administration costs is explained under “Administration of the election commitment.” An annual operational budget of \$15,000 for awards (up to \$10,000 for certificates, presentation ceremonies etc.) and promotion (up to \$5,000 for posters, advertisements etc.³) is included. The figure of \$2 million was developed in consultation with community catchment groups, based on their assessment of the sector’s needs.

The salary cost is based on the Environment and Sustainable Development Directorate Enterprise Agreement 2011-13, Page 98, which states that a General Service Officer Level 8 is paid \$59,939 per annum from 1 July 2012. Additional costs have been added to this base costing based on the ACT Government Standard Costing Parameters 2012. These are:

- Superannuation of 9% (page 4);
- Workers compensation of 1.5% (page 8);
- Accrued benefits of 4% (page 4);
- Administrative On-Costs of \$17,027 (indexed by CPI of 2.5% from 2013-14);
- General cost escalator for the General Service Officer Level 8 of 3% per annum (page 6).

The administration operating budget has been increased with a general cost escalator of 2.5% per annum based on page 6 of the ACT Government Standard Costing Parameters 2012.

It is assumed that the two .5FTE staff can be supervised by existing staff within the Directorate and accordingly no additional supervisory staffing costs have been included.

Costings within this initiative are based on information contained in the 2012-13 Budget Papers and current publicly available information.

¹ \$500,000 for grants + \$20,000 to cover the 4% Shared Services Procurement Costs for administering annual tenders

² Totals have been rounded to the nearest thousand dollars.

³ This would buy up to 6 small standalone ads in the Canberra Times (costing \$736.21 each) and approximately 1000 A3 colour posters (@ \$0.48 per A3 colour poster, according to independent quotations provided by a printing company)

Administration of the election commitment
<p>How will the election commitment be administered? The grants will be administered as a stream of the current ACT Environment grants. Given the size of the funding pool, it is anticipated that additional administrative staff will be required. It is estimated that 2 x 0.5 FTEs will be sufficient (General Services Officers Level 8), on top of the existing ACT Environment grants administrators. Given the peaks and troughs of the program, administration will not require full-time attention hence why 0.5 of each FTE is considered appropriate.</p>
<p>Who will administer the election commitment? The Environment and Sustainable Development Directorate.</p>
<p>Has an allowance been made for expenses necessary to support the implementation of this election commitment? – If no, will the government agency be expected to absorb expenses associated with this election commitment? – If yes, please specify the key assumptions. Yes – administrative salaries as detailed above.</p>
<p>What is the intended implementation date of the election commitment? 2013-14 to 2016-17.</p>
<p>Are there transitional arrangements associated with election commitment implementation? No.</p>
<p>Are there any other assumptions that need to be considered? No.</p>
<p>When is the election commitment expected to be fully operational? <i>Please provide further details i.e. start and end dates, the level of commitment during each period etc?</i> It is proposed that the first round of funding would be open for applications in 2013-14.</p>
<p>Will the election commitment cease and if so when? The commitment will run for each year throughout the period 2013-14 to 2016-17.</p>

