


Request for Costing an Election Commitment

Name of election commitment:	<i>Leverage Commonwealth funds to build wetlands at Tuggeranong, Yarralumla Creek, Ginninderra Creek and Weston Creek Catchments</i>
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 1, page 3)
Summary of election commitment:	<p>This commitment is to undertake feasibility and design studies for three wetlands, two at Tuggeranong and one at Ginninderra Creek Catchment.</p> <p>Following completion of these studies, the ACT Environment Minister would undertake formal consultation with the Commonwealth Government to access already committed Commonwealth funds for water projects in the ACT. This funding would be used to construct the three wetlands, as well as the wetlands at Yarralumla Creek for which there is already a feasibility and design study completed. This Commonwealth Funding would come from the \$85 million in Commonwealth funds available to the ACT for water projects in 2008 and would be of zero impact to the ACT budget.¹</p>
Intention of election commitment:	Continue the roll out of urban wetlands in Canberra and, in the process, continue improving water quality.
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?	
This funding is dollar limited to \$1,800,000 dollars.	
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment?	
Yes. It is proposed that the capital costs (i.e. the cost of wetland construction) be paid for using the \$85 million in Commonwealth funds provided to the ACT for water projects in 2008 and therefore there will be a zero cost to the ACT Budget.	
Will funding/the cost require indexation?	
No.	
What are the estimated revenue and operating costs each year (if available) and what are the	

¹ p.23, http://www.coag.gov.au/sites/default/files/Murray_Darling_IGA.pdf

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)		-364	-14	-14	-14	-406
Capital		-1,394				-1,394

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

What is the likely take up?

N/A

Any other assumptions?

A summary of the breakdown of costs is as follows:

	2012-13	2013/14	2014/15	2015/16	2016/17	TOTAL
	'000	'000	'000	'000	'000	'000
Capital						
Three design studies at \$500,000 each		-1,394				-1,394
Expenses						
Three feasibility studies at \$100,000 each		-300				-300
Cost of capital		-64				-64
Depreciation/Amortisation			-14	-14	-14	-42

It is assumed that consultants would be contracted to compile the feasibility and design studies. The cost of these studies needs to be established through a tender process, however, we have estimated costs (GST inclusive) based on the following forward design studies for existing wetlands:

- Gungahlin Wetlands - \$269,000 (price quoted in the contract) - \$465,000 (price quoted on the website)²
- Dickson and Lyneham Wetlands - \$806,850³ (i.e. 2 wetlands)

We assume that the wetlands to be constructed are of a similar size to the existing ponds. Based on the above figures, we have assumed a cost of \$600,000 per study, where \$500,000 (including the cost of capital) is for design and \$100,000 is for feasibility. This is at the higher end of the range of previous studies (ie \$269,000 for one study through to \$806,000 for two). This is to account for any procurement costs, inflation (given the studies are still to be conducted), differences in size and any other possible variables that have not been accounted for at this time.

It has also been assumed that the capital will be fully repaid within one year. The capital asset will

² Contract number 2010.14381.217; full details available at: http://www.procurement.act.gov.au/contracts/contracts_register/contracts/contracts/enviroment_and_sustainable_development_directorate/2010.xxx.xxx/2010.14381.217

³ Contract number C2009.268; full details available at: http://www.procurement.act.gov.au/contracts/contracts_register/contracts/contracts/enviroment_and_sustainable_development_directorate/c2009 xxx/C2009.268

have a depreciable life of 100 years.

<i>Administration of the election commitment</i>
How will the election commitment be administered? Staffing resources for this initiative can be met out of existing resources within the Directorate given that the Unit responsible for this activity was hired on the basis that wetlands work would continue, but to date new funding has not been forthcoming. Accordingly, these staffing resources are available to be applied directly to this policy initiative.
Who will administer the election commitment? The Environment and Sustainable Development Directorate
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 – see above.
What is the intended implementation date of the election commitment? During the year 2013/14
Are there transitional arrangements associated with election commitment implementation? No
Are there any other assumptions that need to be considered? No.
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> The commitment would see design and feasibility studies conducted during 2013/14. The construction of the wetlands would occur subsequent to 2013/14.
Will the election commitment cease and if so when? N/A