


Request for Costing an Election Commitment

Name of election commitment:	<i>A multi-use Fitters Workshop</i>					
Person and party requesting costing:	Meredith Hunter, ACT Greens Parliamentary Leader					
Date of public release of election commitment, including source:	1 August 2012 http://act.greens.org.au/sites/greens.org.au/files/Kingston_Arts_Final_0.pdf (page 3)					
Summary of election commitment:	\$700,000 to upgrade the Fitters' Workshop to a multi-use community venue. Also, \$40,000 a year in recurrent funding for managing the multi-use venue.					
Intention of election commitment:	Upgrade the Fitters' Workshop into a multi-use community venue.					
Signature of person requesting costing:						
Date of request for costing:	4/9/12					
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?						
The funding for this policy commitment is dollar limited.						
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment?						
No						
Will funding/the cost require indexation?						
No.						
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)			-110	-110	-110	-330

Capital		-700				
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(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?

- The recurrent expenses are broken into two components: (1) \$40,000 per annum for staffing and operational costs to assist in managing the Workshop; and (2) \$70,000 per annum on depreciation of the capital investment

	2012-13	2013-14	2014-15	2015-16	2016-17	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Staffing and operational costs			-40	-40	-40	-120
depreciation			-70	-70	-70	-210
TOTAL expenses			-110	-110	-110	-330

- The staffing and program expenses of \$40,000 per annum from 2014-15 is dollar limited funding for staff and operational costs. A part time staff member (based on .4 FTE), at Administrative Services Officer Class 3 will be employed by the Cultural Facilities Corporation. This staff member will be supervised out of existing staffing resources within the Corporation. Per the Cultural Facilities Enterprise Agreement 2011-13, an Administrative Services Officer Class 3 is paid \$52,818 per annum as at 1/7/12. 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 ASO3 of 3% per annum (page 6).

Operational Costs are \$8,000 in 2013-14, \$7,000 in 2014-15, \$6,000 in 2015-16 and \$5,000 in 2016-17. It is expected that over this four year period the usage of the Fitters Workshop will significantly increase meaning that revenue earned from hiring the facility out will replace the reducing program costs year on year.

- depreciation expenditure has been calculated on the following basis: Accounting policy note 2, of the Community Services Directorate audited financial statements for 2010-11 states that leasehold improvements are depreciated on a straight line basis over a period of between 2 and 10 years. Accordingly, the \$700k capital investment in leasehold improvements to upgrade the Fitters' Workshop is depreciated on a straight line basis over ten years, or \$70k per year.
- Capital borrowing costs are included in the dollar limited capital expenditure of \$700,000

(at an assumed bond rate of 4.25% per annum).

- Funding for this policy commitment is dollar limited and it will be the responsibility of the Community Services Directorate and the Cultural Facilities Corporation to implement this election commitment within this dollar limited commitment. The upgrade of essential facilities may include toilets, heating, lighting, fire prevention and air circulation etc.
- Shared Services Procurement costs of 4% to manage the procurement processes for capital expenditure are included in the dollar limited funding.
- Revenue will be generated through the hiring out of the Fitters' Workshop to community groups. As the level of revenue that will be generated is difficult to estimate, no revenue projections have been included as part of this initiative even though we do anticipate that some revenue will be generated. Should Treasury be able to project revenue, we would be happy for that to be included.

Administration of the election commitment

How will the election commitment be administered?

The election commitment will be administered by the Community Services Directorate and the Cultural Facilities Corporation.

Who will administer the election commitment?

The Community Services Directorate and the Cultural Facilities Corporation will be responsible for administering this election commitment.

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.

Cost for staffing and other operational costs are to be met from the recurrent dollar limited funding provided as part of this election commitment (i.e. \$40k per annum from 2014-15).

What is the intended implementation date of the election commitment?

From the commencement of the 2013-14 financial year.

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?

Please provide further details i.e. start and end dates, the level of commitment during each period etc?

From the 2013-14 financial year.

Will the election commitment cease and if so when?

N/A

