


## Request for Costing an Election Commitment

<b>Name of election commitment:</b>	<i>A new home for Megalo</i>					
Person and party requesting costing:	Meredith Hunter, ACT Greens Parliamentary Leader					
Date of public release of election commitment, including source:	1 August 2012 <a href="http://act.greens.org.au/sites/greens.org.au/files/Kingston_Arts_Final_0.pdf">http://act.greens.org.au/sites/greens.org.au/files/Kingston_Arts_Final_0.pdf</a>					
Summary of election commitment:	Commit an additional \$1.3 million capital funding on top of existing \$3.9 million already within the ACT Government budget. The new total of \$5.2 million will be used to establish a purpose built printmaking studio for Megalo in the Kingston Arts Precinct.					
Intention of election commitment:	Establish a purpose built printmaking studio for Megalo in the Kingston Arts Precinct					
Signature of person requesting costing:						
Date of request for costing:	4/9/12					
<b>What are the key assumptions that have been made in the election commitment?</b>						
<p><b>Note:</b> 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><b>Note:</b> 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>						
<b>Where relevant, is the funding for the policy to be demand driven or a capped amount?</b>						
The funding for this policy commitment is dollar limited.						
<b>Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment?</b>						
No						
<b>Will funding/the cost require indexation?</b>						
No.						
<b>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)?</b>						
	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue <sup>(a)</sup>						

Expenses <sup>(a)</sup>			-53.3	-53.3	-53.3	-159.9
Capital		-1,300				-1,300

(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?**

- Funding for this policy commitment is dollar limited and it will be the responsibility of the Community Services Directorate to implement this election commitment within this dollar limited commitment.
- Shared Services Procurement costs of 4% to manage the procurement processes for capital expenditure are included in the dollar limited funding.
- Capital borrowing costs are included in the dollar limited capital expenditure (at an assumed bond rate of 4.25% per annum).
- Recurrent depreciation expenditure has been calculated on the following basis:
  - Based on Budget Paper 3, page 160 (2011-12), \$3.9M was committed by the Government to adapt the Fitters' Workshop for Megalo. Depreciation expense per annum for this capital commitment was stated to be \$160k per annum which is 4.1% per year. Accordingly, the \$1.3M additional capital commitment from the ACT Greens has been depreciated at 4.1% or \$53.3k per annum.

**Administration of the election commitment**

**How will the election commitment be administered?**

The election commitment will be administered by the Community Services Directorate.

**Who will administer the election commitment?**

The Community Services Directorate 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?

Management of this commitment will come from existing staff in the directorate.

– If yes, please specify the key assumptions.

**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