



ACT
Government

AUSTRALIAN CAPITAL TERRITORY

GUIDELINES FOR COSTING ELECTION COMMITMENTS 2012

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Introduction

The *Election Commitments Costing Act 2012* (the Act) specifies the circumstances under which the Director-General may be requested to cost election commitments before and after polling day.

The Act provides that the Director-General may issue written guidelines setting out the administrative procedures for costing an election commitment (section 7). These guidelines provide the processes that will be followed when requesting an election commitment costing in order to achieve consistency and transparency when costing all election commitments. Accordingly, this document seeks to inform those requesting election commitment costings of the methodology that will be applied, what information will need to be supplied when requesting an election commitment costing and what will be prepared and published by the Director-General.

The Director-General reserves the right to amend or update this document (including the templates at the appendices) to reflect material changes that may occur following its public release.

The Act clearly separates the costing requirements into two periods of time, namely the period before polling day and the period on or after polling day. For this reason these guidelines are split into two sections each consisting of four parts, plus a definition section and appendices.

These two periods represent the costing period as defined in the Act.

Section 1 – Election Commitments Framework – before Polling Day

- **Part 1** provides an overview of the costing of election commitments framework.
- **Part 2** specifies the commitments and undertakings the Director-General provides to those requesting an election commitment costing, the costing methodology and the assumptions that will be applied when undertaking election commitment costings.
- **Part 3** details how requests for costing election commitments should be made, including the information required for a costing to proceed and the method for processing requests.
- **Part 4** outlines the content and timing of election commitment costings and identifies reasons why election commitment costings may not be released.

Section 2 – Election Commitments Framework – on or after Polling Day

- **Part 1** provides an overview of the costing of election commitments framework.
- **Part 2** specifies the commitments and undertakings the Director-General provides to those requesting an election commitment costing, the costing methodology and the assumptions that will be applied when undertaking election commitment costings.
- **Part 3** details how requests for costing election commitments should be made, including the information required for a costing to proceed and the method for processing requests.
- **Part 4** outlines the content and timing of election commitment costings and identifies reasons why election commitment costings may not be released.

Section 3 – Definitions

This section defines the terms used in the guidelines.

Appendices A to C provide further details on standard costing conventions and proformas for requests and the costings themselves.



Megan Smithies
Director-General

Section 1 – Election Commitments Framework- before Polling Day

Part 1: Overview

Application of guidelines

Section 9 of the Act specifies the arrangements for costing election commitments before polling day. Importantly, the guidelines for costing election commitments:

- only apply during the costing period¹ (section 5(1));
- do not affect caretaker period conventions that may be issued or administered by the Chief Minister and Cabinet Directorate; and
- relate to the costing of publicly announced election commitments of the leader of a registered party with one or more MLAs² or an MLA who is not a member of a registered party (section 5(1)).

Requests for costing of election commitments

The Act, under section 5(3), details how requests for costing election commitments are to be submitted. It is not compulsory to request the Treasury Directorate to cost a publicly announced election commitment before polling day.

If the decision is made to request a costing for a publicly announced election commitment, the request:

- must be submitted by email via electioncosting@act.gov.au to the Director-General by the requestor (section 5(3)(a));
- must include the information requested in the proforma at **Appendix B**, outlining fully the election commitment to be costed, the purpose or intention of the election commitment and the assumptions of the election commitment (section 5(3)(b)); and
- should be submitted to the Director-General on a business day during normal business hours (8:30am to 5:00pm).

A request may be withdrawn by the requestor by notice in writing to the Director-General up until they are given a copy of the costing. The notice in writing is to be emailed to the Director-General (section 6).

The Director-General will not accept a request to cost a publicly announced election commitment of another MLA or a registered party of which the requestor is not a member (section 5(5)).

¹ Definition of costing period can be found in Section 3 of the Guidelines.

² Leader of a registered party means the leader of the party in the Legislative Assembly.

During the costing period, costing information³ particular to a costing request must not be disclosed to anyone other than the person who made the request (section 11(1)) with exclusions noted in section 11(2). In effect, the non-disclosure requirements cease on the formation of a new Government.

Director-General actions

Upon receiving a request, the Director-General:

- will publicly acknowledge the request (section 5(4));
- will apply appropriate security arrangements to any information provided, similar to those applied during the preparation of the Territory Budget;
- may seek additional information if unable to prepare an election commitment costing from the details the requestor has submitted (section 8);
- may request an agency to provide information to assist with the preparation of the election commitment costings;
- will provide the costing of the election commitment to the requestor before it is publicly released (section 9(3));
- will publicly release the costing of the election commitment as soon as practicable after the request was received and before polling day (section 9(2));
- will publicly release a statement just prior to polling day if an election commitment is unable to be costed before polling day, either due to insufficient information/data or time constraints (section 9(4)); and
- is not obliged to take any further action in relation to a request on or after polling day (section 9(5) and section 9(6)).

³ Definition of costing information can be found in Section 3 of the Guidelines.

Part 2: Election Commitment Costing Aims and Methodology

Director-General commitments and undertakings

The Director-General will aim to be clear, transparent and timely when costing election commitments. In particular, the Director-General will:

- endeavour to provide the best estimate of the full cost of an election commitment;
- seek additional information from the requestor to enable an election commitment to be accurately costed if the Director-General determines that a costing cannot be prepared based on the information initially submitted;
- cost policies in a manner consistent with methodologies used to prepare the budget papers;
- cost election commitments in a consistent and impartial manner;
- only provide financial costings and not provide policy advice or assessments of the economic impact of policies;
- produce a written report on the costing (**Appendix C**); and
- endeavour to complete the costing as soon as possible, generally within **five working days** (noting that where additional information is required, the five working days will exclude the time taken to obtain the additional information).

Costing methodology

Election commitment costings will focus on the impact of a commitment on the key budget aggregates (net operating balance, capital requirements and cash surplus/ (deficit)) and include both the estimated cost and savings associated with a proposal, encompassing both revenues and expenses. Election commitment costings will be produced in a manner consistent with normal budget costing methodologies. A list of costing conventions is at **Appendix A**.

An individual request is required for each stand-alone election commitment to be costed. For example, if a health election commitment addresses a number of areas for improvement, the requestor must submit a costing request for each stand-alone election commitment as opposed to submitting one costing request incorporating all the stand-alone election commitments.

It is expected that most costings will involve revenue elements only or expense/capital elements only. However, where relevant, the revenue, expense and capital components of an election commitment will be identified separately.

Costing estimates will be provided for the forward estimates period (that is the budget year plus the following four years). Where the revenue or expense is not scheduled to commence, or be fully operational, or cease until after the forward estimates period, it may be necessary to note the expected full year cost when the policy is mature, if feasible to do so. Extensions beyond the forward estimates period will be at the discretion of the Director-General.

If an election commitment includes a capital requirement, the Director-General will include a cost of funds in the costing i.e. interest revenue forgone by using cash or an interest expense for borrowing the funds. All other costings will not generally include an interest expense, unless:

- it is an explicit election commitment objective to affect the level of interest payments; or
- the election commitment involves a financing type transaction where the primary focus is on the level of interest expense paid.

Costing assumptions

Assumptions used in costings will be the most appropriate available. The nature of any assumptions used will be detailed by the Director-General when releasing costings and any caveats associated with the assumptions will be outlined. To maintain consistency, assumptions used in one election commitment costing will generally be also used for costing similar election commitments.

Any economic data or forecasts used in the costing will be consistent with the most recent publicly released estimates. The *Financial Management Act 1996* requires the public release of a Pre-Election Budget Update at least thirty days before the polling day. This will be the basis of the costing parameters to be used in costing election commitments. Costings done prior to the release of a Pre-Election Budget Update may be updated to reflect changes to the costing parameters.

The Director-General may request agencies to provide information to assist in the costing. The Treasury Directorate will liaise with relevant agencies as a matter of course in producing a costing so as to ensure the assumptions chosen are the best possible. However, the final responsibility for the assumptions used will remain with the Director-General.

Where a costing has different assumptions to those specified in a costing request, the costing report will explain the reason for using different assumptions.

Where there is a difference between a costing request and the publicly released election commitment, an effort will be made to clarify the difference. If that is not possible, the costing will be based on information provided in the costing request.

The Treasury Directorate may formally notify requestors, before or at the commencement of the costing period, of particular assumptions that will be used by the Treasury Directorate when costing an election commitment e.g. employee cost estimates.

Part 3: Request for Costings and Processing

Procedures and standards for requesting costings

Requests for costings can be made before polling day. In accordance with section 5(1) of the Act, the request must be made by the leader of a registered party with 1 or more MLAs or by an MLA who is not a member of a registered party.

The Director-General is not obligated to take any action on requests unless the requestor has signed the costing request. Requests for costing an election commitment must:

- be emailed to the Director-General via electioncosting@act.gov.au using the proforma located at **Appendix B**;
- outline fully the election commitment to be costed, providing relevant details including any underlying assumptions; and
- state the purpose or intention of the election commitment.

The provision of full information to the Director-General at the time of submitting the request to cost an election commitment will help minimise unnecessary delays. **Appendix B** contains a proforma indicating the information normally required for a costing to be prepared.

A request should fully outline the design features of the election commitment. It will assist in the preparation of costings if detailed information is provided on the assumptions that parties may have used in making their own assessments regarding the cost of election commitments. However, it should be noted that all assumptions used in the costing will be those of the Director-General. Where there is an inconsistency between the stated intention of the election commitment and its design features, the election commitment will be costed on the basis of its design features.

Directorate expenses will be included in costings where analysis of the election commitment shows that these are material. In undertaking the costing of directorate expenses, existing policies of a similar nature will be used as a guide.

Submitting requests

Requests for election commitment costings should be submitted to the Director-General on a working day during normal business hours (8:30am to 5:00pm).

Requests must be made by email to electioncosting@act.gov.au. Requests which are received outside working hours will be taken to be received the next working day.

Acknowledgement

In accordance with Section 5(4) the Director-General will acknowledge each request received by a public announcement on the Treasury Directorate website – <http://www.treasury.act.gov.au/electioncostings/>.

The details provided on the website will be:

- the date the request was received;
- the name of the requestor; and
- the name of the election commitment.

The acknowledgement will not include any other details about the costing request.

Timelines for provision of costings

The Director-General will endeavour to complete and release a costing for review within **five working days** starting from the next working day after receiving the request. However, this may not be possible in the case of complex costing requests where data is difficult to obtain, where more detailed information needs to be provided by the requestor or due to time constraints.

If that is the case, the Director-General will advise the requestor that the costing cannot be completed within the five working day timeframe. However the Director-General will endeavour to complete and release all costing requests prior to polling day for the general election.

Further information required for completion of costings

If the Director-General considers that further clarification or information is required, he or she may request this information by email from the requestor. Where additional information is required, the five working days will exclude the time taken to obtain the additional information. The Director-General will endeavour to ask for such additional information within two working days of receiving the costing request. Further information should be forwarded to the Director-General by email to electioncosting@act.gov.au.

After the receipt of additional information, the Treasury Directorate may seek clarification of points relating to the information provided from the requestor or the requestor's appropriate staff. Such requests may be by email or telephone. When the Treasury Directorate is seeking additional information, it will make a file note of the information sought and responses received and seek confirmation from the requestor or requestor's appropriate staff of the accuracy of the file note. Such requests for clarification will be noted in the final costings advice where the information materially affects the costing outcome.

Withdrawal of request for costing

Section 6 of the Act allows for the withdrawal of a request for a costing to be made at any time up until the requestor is given a copy of the costing by the Director-General. Once the Director-General has given a copy of the costing to the requestor, the costing can no longer be withdrawn. A withdrawal request must be in writing to the Director-General by the requestor.

A copy of the signed withdrawal letter is to be emailed to electioncosting@act.gov.au.

When a withdrawal letter is received by the Director-General from the requestor, the Director-General will acknowledge by email if the costing has been successfully withdrawn.

Security arrangements

Security arrangements will be similar to those applied at budget time and the confidentiality of election commitment costings will be protected by the Treasury Directorate until they are publicly released.

Freedom of Information

In general, documents in relation to a costing request are exempt from the *Freedom of Information Act 1989* during the costing period, with some exceptions as noted in the Act (section 12)

Part 4: Reporting – Public Release of Election Commitment Costings

Release of election commitment costings

The Act requires that election commitment costings be publicly released as soon as practicable after a costing request has been made before polling day. The Director-General will endeavour to complete and release election commitment costings for review within five working days.

From 10pm Thursday 18 October 2012 immediately prior to polling day for the general election, the Treasury Directorate will not publicly release any further election commitment costings.

This will allow time for costings to be publicly scrutinised. The general public, media and candidates require adequate time to review the election commitment costings before polling day so as to make informed decisions.

The Treasury Directorate will endeavour to cost all election commitments received and publicly release them on its website by 10pm Thursday 18 October 2012 immediately prior to polling day for the general election. Due to the Thursday being the final day costings will be released, different reporting arrangements will be in force on this day. The Director-General will send an email early in the costing period to inform the requestors of the process of publicly releasing election commitment costings on this day.

Any election commitment costing request received by the Director-General but not costed by 10pm on the Thursday immediately before polling day is taken to be withdrawn (section 9(5)) and will be advised on the Treasury Directorate website. Before polling day (most likely on the Friday immediately before polling day), the Treasury Directorate website will provide a statement with the following details:

- the date the request was received;
- the name of the requestor;
- the name of the election commitment; and
- the reason why the costing was not completed and publicly released by 10pm on the Thursday immediately before polling day.

No further work will be undertaken on the costing request (section 9(6)). The website statement will not include a copy of the request submitted by the requestor.

Public release of costings and the delivery of costing reports

By 11:00am on the applicable day the requestor will receive an email containing any election commitment costings that have been completed and are ready to be publicly released. An email will only be sent if an election commitment costing is ready for public release by the Director-General.

Once the email is sent to the requestor, the requestor has 24 hours to review the costing before it is publicly released so as to allow the requestor time to review the assumptions made by the Director-General and understand the impact it has on their election commitment. The requestor is not able to withdraw the costing request once they are provided a copy.

After 24 hours, leaders of other registered parties in the Legislative Assembly and MLAs not members of a registered party, will receive an email notifying them that an election commitment costing has been publicly released on the Treasury Directorate website (<http://www.treasury.act.gov.au/electioncostings/>).

The Director-General requests that no media announcements be made by the registered parties or MLAs until the election commitment costings are publicly released on the Treasury Directorate website.

Election commitment costing report – contents and protocols

When an election commitment costing is published, the published report will include the request submitted under section 5 of the Act; any request for further information made by the Director-General; and any further information forwarded to the Director-General or obtained in discussions with parties or an MLA.

Appendix C provides the proforma that will be used by the Director-General when publishing an election commitment costing. Costings will not include policy advice or assessments of the economic impact of election commitments.

The election commitment costing will include:

- an outline of the specific costing methodology and assumptions used in sufficient detail to allow an understanding of how the costing was determined;
- a table setting out the annual budget cost for the budget year and the following four financial years (where the assumptions are uncertain, the Director-General may choose to report costings as a range of likely outcomes); and
- an explanation detailing any significant difference between the assumptions specified in a costing request and those used in the Director-General's costing.

Reasons for non-release of election commitment costings

Where an election commitment costing is not possible, the Director-General will issue a notice on the Treasury Directorate website, no later than the close of business on the last working day before polling day, stating reasons why the election commitment cannot be costed.

The non-release of an election commitment costing may be due to:

- time constraints that prevent the election commitment being costed before polling day;
- insufficient information about the election commitment to allow the Director-General to properly cost it; or
- insufficient data available to reliably cost the election commitment.

The Director-General will not take any further action in relation to an election commitment costing request that is not signed, or received after 10pm on the Thursday before polling day.

Amendments to an election commitments costing

If it comes to the Director-General's attention an amendment is required to an election commitment costing before or after it is publicly released, the Director-General can amend the costing. Any amendments are at the Director-General's discretion.

Before it is publicly released

If an amendment is required to an election commitment costing during the 24 hour review period by the requestor, the public release procedures noted previously will be followed. In particular:

- The Director-General will amend the election commitment costing;
- Release the amended election commitment costing to the requestor to review for 24 hours; and
- After 24 hours, leaders of other registered parties in the Legislative Assembly and MLAs not members of a registered party, will receive an email notifying them that an election commitment costing has been publicly released on the Treasury Directorate website.

After publicly released

If an amendment is required to an election commitment costing after it is publicly released, the public release procedures noted previously will be followed. In particular:

- The Director-General will amend the election commitment costing;
- Release the amended election commitment costing to the requestor to review for 24 hours; and
- After 24 hours, leaders of other registered parties in the Legislative Assembly and MLAs not members of a registered party, will receive an email notifying them that an election commitment costing has been publicly released on the Treasury Directorate website.

The original election commitment costing is to remain on the Treasury website with a note indicating an amendment to the costing has taken place and a revised election commitment costing has been released.

Section 2 – Election Commitments Framework – on or after Polling Day

Part 1: Overview

Application of guidelines

Section 10 of the Act specifies the arrangements for costing election commitments on or after polling day.

Importantly, the guidelines for costing election commitments:

- only apply during the costing period⁴ (section 5(2));
- do not affect caretaker period conventions that may be issued or administered by the Chief Minister and Cabinet Directorate; and
- relate to the costing of publicly announced election commitments of the leader of a registered party with one or more MLAs⁵ before polling day, or another person nominated by the party (section 5(2)).

Requests for costing of election commitments

The Act, under section 5(3), details how requests for costing election commitments are to be submitted. It is not compulsory to request the Treasury Directorate to cost a publicly announced election commitment on or after polling day.

If the decision is made to request a costing for a publicly announced election commitment, the request:

- must be submitted by email via electioncosting@act.gov.au to the Director-General by the requestor (section 5(3)(a));
- must include the information requested in the proforma at **Appendix B**, outlining fully the election commitment to be costed, the purpose or intention of the election commitment and the assumptions of the election commitment (section 5(3)(b)); and
- should be submitted to the Director-General on a business day during normal business hours (8:30am to 5:00pm).

A request may be withdrawn by the requestor by notice in writing to the Director-General up until they are given a copy of the costing. The notice in writing is to be emailed to the Director-General (section 6).

The Director-General will not accept a request to cost a publicly announced election commitment of another MLA or a registered party of which the requestor is not a member (section 5(5)).

⁴ Definition of costing period can be found in Section 3 of the Guidelines.

⁵ Leader of a registered party means the leader of the party in the Legislative Assembly.

During the costing period, costing information⁶ particular to a costing request must not be disclosed to anyone other than the person who made the request (section 11(1)) with exclusions noted in section 11(2). In effect, the non-disclosure requirements cease on the formation of a new Government.

Director-General actions

Upon receiving a request, the Director-General:

- will publicly acknowledge the request (Section 5(4));
- will apply appropriate security arrangements to any information provided, similar to those applied during the preparation of the Territory Budget;
- may seek additional information if unable to prepare an election commitment costing from the details the requestor has submitted (section 8);
- may request an agency to provide information to assist with the preparation of the election commitment costings;
- will provide the costing of the election commitment to the requestor before it is publicly released (section 10(3));
- will publicly release the costing of the election commitment as soon as practicable after the request was received (section 10(2));
- will publicly release a statement before the end of the costing period if an election commitment is unable to be costed either due to insufficient information/data or time constraints (section 10(4)); and
- is not obliged to take any further action in relation to an election commitment costing request after the end of the costing period (section 10(5) and 10(6)).

⁶ Definition of costing information can be found in Section 3 of the Guidelines.

Part 2: Election Commitment Costing Aims and Methodology

Director-General commitments and undertakings

The Director-General will aim to be clear, transparent and timely when costing election commitments. In particular, the Director-General will:

- endeavour to provide the best estimate of the full cost of an election commitment;
- seek additional information from the requestor to enable an election commitment to be accurately costed if the Director-General determines that a costing cannot be prepared based on the information initially submitted;
- cost policies in a manner consistent with methodologies used to prepare the budget papers;
- cost election commitments in a consistent and impartial manner;
- only provide financial costings and not provide policy advice or assessments of the economic impact of policies;
- produce a written report on the costing (**Appendix C**); and
- endeavour to complete the costing as soon as practicable.

Costing methodology

Election commitment costings will focus on the impact of a commitment on the key budget aggregates (net operating balance, capital requirements and cash surplus/ (deficit)) and include both the estimated cost and savings associated with a proposal, encompassing both revenues and expenses. Election commitment costings will be produced in a manner consistent with normal budget costing methodologies. A list of costing conventions is at **Appendix A**.

An individual request is required for each stand-alone election commitment to be costed. For example, if a health election commitment addresses a number of areas for improvement, the requestor must submit a costing request for each stand-alone election commitment as opposed to submitting one costing request incorporating all the stand-alone election commitments.

It is expected that most costings will involve revenue elements only or expense/capital elements only. However, where relevant, the revenue, expense and capital components of an election commitment will be identified separately.

Costing estimates will be provided for the forward estimates period (that is the budget year plus the following four years). Where the revenue or expense is not scheduled to commence, or be fully operational, or cease until after the forward estimates period, it may be necessary to note the expected full year cost when the policy is mature, if feasible to do so. Extensions beyond the forward estimates period will be at the discretion of the Director-General.

If an election commitment includes a capital requirement, the Director-General will include a cost of funds in the costing i.e. interest revenue forgone by using cash or an interest expense for borrowing the funds. All other costings will not generally include an interest expense, unless:

- it is an explicit election commitment objective to affect the level of interest payments; or
- the election commitment involves a financing type transaction where the primary focus is on the level of interest expense paid.

Costing assumptions

Assumptions used in costings will be the most appropriate available. The nature of any assumptions used will be detailed by the Director-General when releasing costings and any caveats associated with the assumptions will be outlined. To maintain consistency, assumptions used in one election commitment costing will generally be also used for costing similar election commitments.

Any economic data or forecasts used in the costing will be consistent with the most recent publicly released estimates. The *Financial Management Act 1996* requires the public release of a Pre-Election Budget Update at least thirty days before the polling day. This will be the basis of the costing parameters to be used in costing election commitments.

The Director-General may request agencies to provide information to assist in the costing. The Treasury Directorate will liaise with relevant agencies as a matter of course in producing a costing so as to ensure the assumptions chosen are the best possible. However, the final responsibility for the assumptions used will remain with the Director-General.

Where a costing has different assumptions to those specified in a costing request, the costing report will explain the reason for using different assumptions.

Where there is a difference between a costing request and the publicly released election commitment, an effort will be made to clarify the difference. If that is not possible, the costing will be based on information provided in the costing request.

The Treasury Directorate will continue to use the same assumptions before polling day when costing an election commitment on or after polling day e.g. employee cost estimates.

Part 3: Request for Costings and Processing

Procedures and standards for requesting costings

Requests for costings can be made on or after polling day. In accordance with section 5(2) of the Act, the request must be made by the leader of a registered party with one or more MLAs before polling day or another person nominated by the party.

The Director-General is not obligated to take any action on requests unless the requestor has signed the costing request. Requests for costing an election commitment must:

- be emailed to the Director-General via electioncosting@act.gov.au using the proforma located at **Appendix B**;
- outline fully the election commitment to be costed, providing relevant details, including any underlying assumptions; and
- state the purpose or intention of the election commitment.

The provision of full information to the Director-General at the time of submitting the request to cost an election commitment will help minimise unnecessary delays. **Appendix B** contains a proforma indicating the information normally required for a costing to be prepared.

A request should fully outline the design features of the election commitment. It will assist in the preparation of costings if detailed information is provided on the assumptions that parties may have used in making their own assessments regarding the cost of election commitments. However, it should be noted that all assumptions used in the costing will be those of the Director-General. Where there is an inconsistency between the stated intention of the election commitment and its design features, the election commitment will be costed on the basis of its design features.

Directorate expenses will be included in costings where analysis of the election commitment shows that these are material. In undertaking the costing of directorate expenses, existing policies of a similar nature will be used as a guide.

Where a costing request is deemed to have been withdrawn before polling day under section 9(5), should the requestor wish to have that request costed, the request must be formally re-submitted.

Submitting requests

Requests for election commitment costings should be submitted to the Director-General on a working day during normal business hours (8:30am to 5:00pm).

Requests must be made by email to electioncosting@act.gov.au. Requests which are received outside working hours will be taken to be received the next working day.

Acknowledgement

In accordance with Section 5(4) the Director-General will acknowledge each request received by a public announcement on the Treasury Directorate website – <http://www.treasury.act.gov.au/Electioncostings/>.

The details provided on the website will be:

- the date the request was received;
- the name of the requestor; and
- the name of the election commitment.

The acknowledgement will not include any other details about the costing request.

Timelines for provision of costings

The Director-General will endeavour to complete and release a costing as soon as practicable.

Further information required for completion of costings

If the Director-General considers that further clarification or information is required, he or she may request this information by email from the requestor. The Director-General will endeavour to ask for such additional information as soon as practicable after receiving the costing request. Further information should be forwarded by email to the Director-General (electioncosting@act.gov.au).

After the receipt of additional information, the Treasury Directorate may seek clarification of points relating to the information provided from the requestor or the requestor's appropriate staff. Such requests may be by email or telephone. When the Treasury Directorate is seeking additional information, it will make a file note of the information sought and responses received and seek confirmation from the requestor or requestor's appropriate staff of the accuracy of the file note. Such requests for clarification will be noted in the final costings advice where the information materially affects the costing outcome.

Withdrawal of request for costing

Section 6 of the Act allows for the withdrawal of a request for a costing to be made at any time up until the requestor is given a copy of the costing by the Director-General. Once the Director-General has given a copy of the costing to the requestor, the costing can no longer be withdrawn. A withdrawal request must be in writing to the Director-General by the requestor.

A copy of the signed withdrawal letter is to be emailed to electioncosting@act.gov.au.

When a withdrawal letter is received by the Director-General from the requestor, the Director-General will acknowledge by email if the costing has been successfully withdrawn.

Security arrangements

Security arrangements will be similar to those applied at budget time and the confidentiality of election commitment costings will be protected by the Treasury Directorate until they are publicly released.

Freedom of Information

In general, documents in relation to a costing request are exempt from *the Freedom of Information Act 1989* during the costing period, with some exceptions as noted in the Act (section 12).

Part 4: Reporting – Public Release of Election Commitment Costings

Release of election commitment costings

The Act requires that election commitment costings be publicly released as soon as practicable after a costing request has been made on or after polling day. The Director-General will endeavour to complete and release election commitment costings as soon as practicable on the Treasury Directorate website <http://www.treasury.act.gov.au/electioncostings/> before the end of the costing period.

Any election commitment costing request received by the Director-General but not costed prior to the end of the costing period will be advised on the Treasury Directorate website. The Treasury Directorate website will provide a statement with the following details:

- the date the request was received;
- the name of the requestor;
- the name of the election commitment; and
- the reason why the costing was not completed.

No further work will be undertaken on the costing request once the costing period has ended (section 10(6)). The website statement will not include a copy of the request submitted by the requestor.

Public release of costings and the delivery of costing reports

By 11:00am on the applicable day, the requestor will receive an email containing any election commitment costings that have been completed and are ready to be publicly released. An email will only be sent if an election commitment costing is ready for public release by the Director-General.

Once the email is sent to the requestor, the requestor has 24 hours to review the costing before it is publicly released so as to allow the requestor time to review the assumptions made by the Director-General and understand the impact it has on their election commitment. The requestor is not able to withdraw the costing request once they are provided a copy.

After 24 hours, leaders of other registered parties with one or more MLAs before polling day, or another person nominated by the party, will receive an email notifying them that an election commitment costing has been publicly released on the Treasury Directorate website (<http://www.treasury.act.gov.au/electioncostings/>).

The Director-General requests that no media announcements be made by the registered parties until the election commitment costings are publicly released on the Treasury Directorate website.

Election commitment costing report – contents and protocols

When an election commitment costing is published, the published report will include the request submitted under section 5 of the Act; any request for further information made by the Director-General; and any further information forwarded to the Director-General or obtained in discussions with parties.

Appendix C provides the proforma that will be used by the Director-General when publishing an election commitment costing. Costings will not include policy advice or assessments of the economic impact of election commitments.

The election commitment costing will include:

- an outline of the specific costing methodology and assumptions used in sufficient detail to allow an understanding of how the costing was determined;
- a table setting out the annual budget cost for the budget year and the following four financial years (where the assumptions are uncertain, the Director-General may choose to report costings as a range of likely outcomes); and
- an explanation detailing any significant difference between the assumptions specified in a costing request and those used in the Director-General's costing.

Reasons for non-release of election commitment costings

Where an election commitment costing is not possible, the Director-General will issue a notice on the Treasury Directorate website, at the end of the costing period, stating reasons why the election commitments cannot be costed.

The non-release of an election commitment costing may be due to:

- time constraints that prevent the election commitment being costed;
- insufficient information about the election commitment to allow the Director-General to properly cost it; or
- insufficient data available to reliably cost the election commitment.

The Director-General will not take any further action in relation to an election commitment costing request that is not signed, or received after the end of the costing period.

Amendments to an election commitments costing

If it comes to the Director-General's attention an amendment is required to an election commitment costing before or after it is publicly released, the Director-General can amend the costing. Any amendments are at the Director-General's discretion.

Before it is publicly released

If an amendment is required to an election commitment costing during the 24 hour review period by the requestor, the public release procedures noted previously will be followed. In particular:

- The Director-General will amend the election commitment costing;
- Release the amended election commitment costing to the requestor to review for 24 hours; and
- After 24 hours, leaders of other registered parties with one or more MLAs before polling day, or another person nominated by the party, will receive an email notifying them that an election commitment costing has been publicly released on the Treasury Directorate website.

After publicly released

If an amendment is required to an election commitment costing after it is publicly released, the public release procedures noted previously will be followed. In particular:

- The Director-General will amend the election commitment costing;
- Release the amended election commitment costing to the requestor to review for 24 hours; and
- After 24 hours, leaders of other registered parties with one or more MLAs before polling day, or another person nominated by the party, will receive an email notifying them that an election commitment costing has been publicly released on the Treasury Directorate website.

The original election commitment costing is to remain on the Treasury website with a note indicating an amendment to the costing has taken place and a revised election commitment costing has been released.

Section 3 – Definitions

Budget Year – the current published budget year. For 2012 the general election will be held on 20 October 2012, therefore the budget year would be 2012-2013.

Caretaker Period – commences from the beginning of the pre-election period and ends with the election of the Chief Minister on the first sitting day of the Legislative Assembly following the election.

Costing Information – is defined as information shared between the person who made the costing request and a person exercising a function under this Act.

By way of further clarification costing information does not include standard costs released by Treasury or other information considered to be generic in nature, that maybe common to a similar costing request.

Costing Period – for an election of the Legislative Assembly, means the period -

- (a) starting
 - i. for an election held in 2012 – on Monday 3 September 2012; or
 - ii. for an election held in a later year – 1 week after the last sitting day of the Legislative Assembly before the election; and
- (b) ending when the Chief Minister is elected on the first sitting day of the Legislative Assembly after the election.

Pre-election Period – The pre-election period, during which caretaker conventions apply, is set by the Electoral Act 1992. Under this Act, the pre-election period is the period of 37 days ending on the end of election polling day.

Forward Estimates Period – budget year plus the following four years.

Leader of a Registered Party – the leader of a party in the Legislative Assembly.

Publicly Announced – examples of when an election commitment has been publicly announced, is when a party or MLA issues a media release or publishes the election commitment on their website.

Requestor – means a person who makes a request under section 5 of the Act.

Director-General – the Treasury Director-General or a designated Treasury Executive.

Appendix A: Election Commitment Costing Conventions

The following are standard conventions for the preparation of election commitment costings.

- Costings are based on the effect on the budget and produced in a manner that is consistent with the normal budget costing methodologies.
- Economic data and forecasts used in the preparation of costings will be consistent with the Pre-Election Budget Update.
- Costings are provided on a current price basis.
- Costings are provided on an annual basis for the budget year and the following three financial years.
- Full-year, part-year and one-off effects are distinguished.
- Costings are generally to be best point estimates, however, costing ranges are provided if they are considered appropriate.
- Where relevant, the revenue and expense components of an election commitment costing are identified separately.
- Assumptions are reviewed for reasonableness in terms of cost, potential demand and implementation period.
- If no allowance is made for expenses necessary to support the implementation of an election commitment, a costing of such expenses will only be undertaken if the impact is considered by the Director-General to be material in the context of the proposed election commitment. In undertaking the costing of the necessary expenses, existing programs/policies of a similar nature will be used as a guide.
- If a costing of expenses necessary to support the implementation of an election commitment is specifically requested, the written request should clearly specify an assumption as to its absorption or supplementation.
- If no allowance is made for expenses necessary to support the implementation of an election commitment, the Director-General will only assume the expenses can be absorbed by the government agency if the expenses are considered immaterial.
- Assumptions used in costings are based on best professional judgement.

Appendix B: Request for Costing an Election Commitment

Name of election commitment:						
Person and party requesting costing:						
Date of public release of election commitment, including source:						
Summary of election commitment:						
Intention of election commitment:						
Signature of person requesting costing:						
Date of request for costing:						
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?						
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment?						
Will funding/the cost require indexation?						
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)						
Capital						
(a) A negative number indicates a decrease in revenue or an increase in expenses.						
What is the likely take up?						
Any other assumptions?						

Administration of the election commitment

How will the election commitment be administered?

Who will administer the 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.

What is the intended implementation date of the election commitment?

Are there transitional arrangements associated with election commitment implementation?

Are there any other assumptions that need to be considered?

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?

Will the election commitment cease and if so when?

Appendix C: Public Release of Costing Proforma

2012 Policy Commitment - <Name of Party>

Election Commitment:	
Name of Commitment:	
Cost Request Submitted by:¹	Reference No:
Date Request Received:	Date of Public Release:
Additional Information Requested (including date):	
Additional Information Received (including date):	

Financial Implications:						
Impact On:	2012-13	2013-14	2014-15	2015-16	2016-17	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0	0.0
Expenses ^(a)	0.0	0.0	0.0	0.0	0.0	0.0
Net Operating Balance	0.0	0.0	0.0	0.0	0.0	0.0
Capital Requirement	0.0	0.0	0.0	0.0	0.0	0.0
Cash Surplus/Deficit	0.0	0.0	0.0	0.0	0.0	0.0

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

Other Information:
Caveats or qualifications to the costing:
Other Comments:
Costing Methodology Used:
- Costing Technique:

- Policy Parameters:

Statistical Data Used:

Megan Smithies

Director-General

1. Name of Person and Applicable Party