

2020 Election Commitment – ACT Labor

Name of Commitment:	New and expanded schools – Northside – North Gungahlin Primary School	Reference Number: LAB038
Request Submitted by:	Andrew Barr MLA, ACT Labor	
Date Request Received:	12-Oct-20	
Additional Information Requested (details and date)	Clarification was sought as to whether the operating costs (other than general staffing) would be additional to the costing (16-Oct-20)	
Additional Information Received (details and date)	Treasury was advised the operating costs would be met from within existing resources (16-Oct-20)	

Financial Implications					
Impact On:	2020-21	2021-22	2022-23	2023-24	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	-7.0	-364.1	-565.9	-575.0	-1,512.0
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	0.0	0.0	0.0
- Cost of Financing	-7.0	-364.1	-565.9	-575.0	-1,512.0
Depreciation	0.0	0.0	-583.3	-1,166.7	-1,750.0
Net Operating Balance	-7.0	-364.1	-1,149.3	-1,741.7	-3,262.0
Capital Requirement	-1,750.0	-21,000.0	-12,250.0	0.0	-35,000.0
Cash Surplus/Deficit	-1,757.0	-21,364.1	-12,815.9	-575.0	-36,512.0

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

Other Information
Costing Methodology Used:
- Costing Technique:
The costing is an estimate based on the cost of similar projects. This costing has been benchmarked against 'Delivering a new Primary School at Throsby' and 'Delivering Molonglo P-6' with project values in the range of \$40-45 million.
- Proposal Parameters:
The costing assumes construction would commence in the 2020-21 financial year with the school to commence operations in the 2023 school year. The total value of the project would be \$35 million. Cost of financing has been calculated at 1.6 per cent. Depreciation has been calculated on a straight-line basis over a 30-year period. The costing assumes that administrative expenses associated with the proposal would be absorbed by the Education Directorate. Staffing costs associated with the expanded facilities would be addressed through the annual enrolment adjustment as part of the Budget process. The first year operating costs for a new primary school of this size is expected to be in the order of \$2.1 million. For the purposes of this costing, it is assumed these would be funded from within the existing resources of the ACT Education Directorate.
Caveats or qualifications to the costing:
Final capital costs are subject to the outcome of the approved design for the project and the completion date. Should a subsequent decision be made to undertake a broader expansion or additional works, additional costs would be incurred. Treasury assumes that these schools would be smaller than the comparable schools in Throsby and Molonglo, if not, the costs of this project could be up to \$10 million more.
Other Comments:
This costing only includes the 'a new primary school in North Gungahlin' element of ACT Labor's election announcement 'Labor's plan for Gungahlin'.
- Statistical Data Used:
Treasury estimates.



David Nicol
Under Treasurer
16 October 2020