

2020 Election Commitment – ACT Greens

Name of Commitment:	A new multi-purpose indoor sports centre in the Woden Town Centre	Reference Number: GRN024
Request Submitted by:	Shane Rattenbury MLA, ACT Greens	
Date Request Received:	12-Oct-20	
Additional Information Requested (details and date)	Confirmation sought on ongoing costs post completion and if a potential site has been identified (12-Oct-2020)	
Additional Information Received (details and date)	Clarification received that the commitment is for construction only, with ongoing costs to be determined by the final design and operating arrangements. A site has not been determined at this stage (13-Oct-2020).	

Financial Implications					
Impact On:	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	TOTAL \$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	0.0	-80.0	-353.3	-358.9	-792.2
- 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	0.0	-80.0	-353.3	-358.9	-792.2
Depreciation	0.0	0.0	0.0	-550.0	-550.0
Net Operating Balance	0.0	-80.0	-353.3	-908.9	-1,342.2
Capital Requirement	0.0	-5,000.0	-17,000.0	0.0	-22,000.0
Cash Surplus/Deficit	0.0	-5,080.0	-17,353.3	-358.9	-22,792.2

(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 funding is for a fixed level of \$22.0 million over two years from 2021-22 for the design and construction of a new multi-purpose indoor sports centre in the Woden Town Centre. As such, the scope of the proposal would need to fit within the level of funding identified. Treasury considers that this scope could be achieved for the costing proposed.
- Proposal Parameters:
<ul style="list-style-type: none"> • The costing assumes that administrative expenses associated with the program would be absorbed by the Chief Minister, Treasury and Economic Development Directorate. • Cost of financing has been calculated at 1.6 per cent. • Depreciation has been calculated on a straight line basis over a 40-year period. • The project would commence in 2021-22 with the completion expected at the end of the 2022-23 financial year. • Repairs and maintenance expenses would be incurred outside the forward estimates and would be costed at zero per cent of the capital cost in the first year after construction, one per cent the year after (\$220,000), and two per cent each year thereafter (\$440,000 per annum). • Operational costs and revenues, including the potential need for ongoing budget funding, would depend on the operational structure determined through the design and consultation processes.
Caveats or qualifications to the costing:
<ul style="list-style-type: none"> • Should the chosen site be scheduled for release on the Government's Indicative Land Release Program, there would be an additional cost to Government resulting from land sales revenue foregone. This is not included in the costing.
Other Comments:
Treasury's costing differs from that submitted due to the inclusion of cost of financing.
- Statistical Data Used:
Treasury estimates.

