

## 2020 Election Commitment – ACT Labor

<b>Name of Commitment:</b>	<b>New and expanded schools – Strathnairn ELC and Primary School</b>
	<b>Reference Number:</b> LAB039
<b>Request Submitted by:</b>	Andrew Barr MLA, ACT Labor
<b>Date Request Received:</b>	12-Oct-20
<b>Additional Information Requested (details and date)</b>	Clarification was sought as to whether the operating costs (other than general staffing) would be additional to the costing (16-Oct-20)
<b>Additional Information Received (details and date)</b>	Treasury was advised the operating costs would be met from within existing resources (16-Oct-20)

<b>Financial Implications</b>					
<b>Impact On:</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenues <sup>(a)</sup>	0.0	0.0	0.0	0.0	<b>0.0</b>
Expenses <sup>(a)(b)</sup>	0.0	-14.9	-349.6	-686.1	<b>-1,050.6</b>
- Employee Expenses	0.0	0.0	0.0	0.0	<b>0.0</b>
- Other Expenses	0.0	0.0	0.0	0.0	<b>0.0</b>
- Cost of Financing	0.0	-14.9	-349.6	-686.1	<b>-1,050.6</b>
Depreciation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Net Operating Balance</b>	<b>0.0</b>	<b>-14.9</b>	<b>-349.6</b>	<b>-686.1</b>	<b>-1,050.6</b>
<b>Capital Requirement</b>	0.0	-931.2	-20,904.0	-20,681.7	<b>-42,516.9</b>
<b>Cash Surplus/Deficit</b>	0.0	-946.1	-21,253.6	-21,367.8	<b>-43,567.5</b>

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

<b>Other Information</b>
<b>Costing Methodology Used:</b>
<b>- Costing Technique:</b>
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.
<b>- Proposal Parameters:</b>
The costing assumes that construction would be completed in 2025. The cost of financing has been calculated at 1.6 per cent. The costing assumes that administrative expenses associated with the program would be absorbed by the Education Directorate.
<b>Caveats or qualifications to the costing:</b>
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. Capital expenditure of \$2.483 million would be incurred in 2024-25. Depreciation of \$750,000 would commence in 2024-25. 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 in 2024-25. For the purposes of this costing, it is assumed these would be funded from within the existing resources of the ACT Education Directorate.
<b>Other Comments:</b>
N/A
<b>- Statistical Data Used:</b>
Treasury estimates.



David Nicol  
Under Treasurer  
16 October 2020