

Request for Costing an Election Commitment

Name of election commitment:	<i>Additional ESA stations – Aranda and Calwell</i>
Person and party requesting costing:	Katy Gallagher, ACT Labor
Date of public release of election commitment, including source:	16/10/12 http://www.katygallagher.net/?p=2646
Summary of election commitment:	New emergency services stations at Aranda and Calwell.
Intention of election commitment:	To implement ACT Labor's station relocation program.
Signature of person requesting costing:	<i>K. Gallagher</i>
Date of request for costing:	<i>16.10.12</i>

What are the key assumptions that have been made in the election commitment?

This funding includes the cost of new stations at Aranda and Calwell. Project management costs are for staff which have been capitalised – 7.9FTE which are currently funded until the end of 2013-14

Costs are broken up as follows:

Aranda

	2013-14 \$	2014-15 \$	2015-16 \$	2016-17 \$
Recurrent funding*	35,000	36,000	65,322	627,255
Depreciation**	0	0	0	1,046,348
Cost of Funds	27,999	629,525	1,044,397	1,088,784
Capital***	658,809	14,125,541	9,132,176	0

Calwell

	2013-14 \$	2014-15 \$	2015-16 \$	2016-17 \$
Recurrent funding*	35,000	36,000	90,952	421,058
Depreciation**	0	0	0	698,028
Cost of Funds	21,216	471,704	699,034	728,743
Capital***	499,194	10,578,497	4,877,243	0

Project management

Project Management	2013-14 \$	2014-15 \$	2015-16 \$	2016-17 \$
Depreciation**	0	0	0	118,169
Cost of Funds	0	56,993	117,215	122,196
Capital****	0	1,341,000	1,360,000	0

*Recurrent costs include maintenance, operational cost, support cost and ICT on-going costs, but excludes depreciation.

**Depreciation is a non-cash expense (i.e. no recurrent funding required) based on life of station. 75% of the total relates to building costs and should be depreciated straight line over 40 years (ie, 2.5%). 25% of the total relates to plant & equipment and should be depreciated straight line over 10 years (ie, 10%)

***Capital costs include design, procurement cost, construction, insurance, environmental sustainable design, escalation, other equipment, ICT costs and relocation costs.

****Capital costs include two years of capitalised project management staff (team of 7.9FTE) currently funded to the end of 2013-14.

The recurrent cost estimates do not include the netting off of existing operational and maintenance funding for the current stations (this would need to be determined at a future time depending on the timing of commissioning the new station and ceasing all operations at the old station). In addition, these costs may be subject to further changes due to variations resulting from the outcomes of development application approval processes, environmental assessments and market tendering conditions for constructions costs.

Where relevant, is the funding for the policy to be demand driven or a capped amount? Capped

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment? No

Will funding/the cost require indexation? Yes, they are indexed

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)		-119	-1,230	-2,017	-4,851	-8,217
Capital		-1,158	-26,045	-15,369	0	-42,572

(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? Through the Emergency Services Agency

Who will administer the election commitment? ESA

Has an allowance been made for expenses necessary to support the implementation of this election commitment?

– Yes

What is the intended implementation date of the election commitment? 2013-14

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?

Both Calwell and Aranda will be complete in 2015-16.

Will the election commitment cease and if so when? Construction will be complete in 2015-16 but the stations are an ongoing asset.