

Request for Costing an Election Commitment

Name of proposal:	Public School Infrastructure Renewal
Person requesting costing:	Andrew Barr MLA
Date of request:	14 October 2020
Summary of proposal:	<p>ACT Labor will invest \$99 million in school infrastructure renewal program, including \$85 million for the Public School Infrastructure Upgrade (PSIU) program and \$14 million to improve the thermal comfort of schools, ensuring they are cool in summer and warm in winter so that they are comfortable places for kids to learn and teachers to work.</p> <p>This proposal outlines the additional \$16.718 million required over four years from 2021-22.</p>
Issue the proposal will address:	<p>This investment will help ensure Australia's best school system continues to have facilities that are safe, comfortable and fit for learning. 77 per cent of our public schools were built more than 30 years ago. A high proportion of these ageing schools are primary schools, early childhood schools and specialist schools, and hold our most vulnerable students. ACT Labor is committed to ensuring these spaces are safe, comfortable and accessible for all students. We want the built environment of schools to reflect the high-quality education that every public school provides.</p>

What are the key assumptions that have been made in the proposal?

Note: The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

ACT Labor has committed to providing \$85 million of public school infrastructure upgrades over four years from 2021-22. \$68.282 million of existing funding is already budgeted for, requiring an additional commitment of \$16.718 million as outlined in the table below.

	2020-21	2021-22	2022-23	2023-24	2024-25	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Continuation of PSIU		21,250	21,250	21,250	21,250	85,000
PSIU existing funding (offset)		16,485.0	16,897.0	17,320.0	17,580.0	68,282.0
PSIU net additional capital required		4,765.0	4,353.0	3,930.0	3,670.0	16,718.0

Interest costs are calculated as per the Standard Costing Parameters.

2024-25 is provided to ensure transparency.

Depreciation has been assumed at a useful life of 20 years with nil residual value, straight line methodology. Please note that the range of works will be varied and in practice accounting advice will be provided on the appropriate treatment. Full depreciation is assumed to show possible operating impact.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2020-21	2021-22	2022-23	2023-24	2024-25	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)						
Expenses^(a)		-76.2	-147.1	-212.3	-274.5	-710.1
Capital		-4,765.0	-4,353.0	-3,930.0	-3,670.0	-16,718.0
Depreciation			-238.3	-455.9	-652.4	-1,346.6

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?

No

Where relevant, is funding for the proposal 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 proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements?

No

Will funding/the cost require indexation?

No
Who will administer the proposal?
Education Directorate
How will the proposal be administered?
Through the Education Directorate (Infrastructure and Capital Works Branch).
Is the proposal part of a broader package?
Yes – ACT Labor’s <i>Public School Infrastructure Renewal</i> package.
Has an allowance been made for expenses necessary to support the implementation of this proposal?
<ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
No – Education Directorate will absorb the cost of the implementation of this proposal
Will the proposal generate savings or offsets?
Yes – PSIU funding offset against existing funding as outlined above
Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?
No
What are the community impacts associated with the proposal? Who and how many people will be affected?
<p>The program will create close to 650 local jobs, contributing to our goal of increasing the Territory’s employment base to more than 250,000 local jobs by 2025.</p> <p>This renewal program will deliver investments like upgraded cooling and heating, improved learning spaces, staff rooms, toilets, outdoor learning and play equipment. Some examples include:</p> <ul style="list-style-type: none"> • Upgrades to the Koori Preschool at Ngunnawal Primary School • Upgrading the gymnasium at Lyneham High School • Oval upgrades at Charles Weston and Torrens Primary Schools • Classroom upgrades at Gowrie Primary School <p>One of the priorities for the program will be to improve the capability of schools to manage events like the bushfire season we’ve just experienced. ACT Labor will work with school communities, including staff, parents and students, to complete upgrades that respond to local interests and needs.</p>
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
No
What is the intended implementation date of the proposal?
From 1 January 2021
When is the proposal expected to be fully operational? Please provide details such as the start and

end dates, the level of commitment during each period etc.
2021-22
Will the proposal cease, and if so, when?
Proposal is funded to 2024-25
Is there any additional information relevant to this proposal?
No