

2020 Election Commitment – ACT Labor

Name of Commitment:	New and expanded schools - Northside - Northside College Expansion		
	Reference Number: LAB 036		
Request Submitted by:	Andrew Barr MLA, ACT Labor		
Date Request Received:	12-Oct-20		
Additional Information Requested (details and date)	N/A		
Additional Information Received (details and date)	N/A		

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)}	0.0	-40.0	-280.6	-605.1	-925.8
- 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	-40.0	-280.6	-605.1	-925.8
Depreciation	0.0	0.0	0.0	0.0	0.0
Net Operating Balance	0.0	-40.0	-280.6	-605.1	-925.8
Capital Requirement	0.0	-2,500.0	-15,000.0	-20,000.0	-37,500.0
Cash Surplus/Deficit	0.0	-2,540.0	-15,280.6	-20,605.1	-38,425.8
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

Other Information
Costing Methodology Used:
- Costing Technique:
The costing is for a fixed dollar amount of \$50 million to expand Gungahlin and/or Dickson Colleges. As the costing is for a fixed dollar amount, the scope of the project would need to be managed within this level of funding. Should a subsequent decision be made to undertake a broader expansion or additional works, additional costs would be incurred.
- Proposal Parameters:
<ul style="list-style-type: none"> • Construction would commence in 2021-22 and take 4 years to complete, finishing in 2024-25. The proposal includes capital funding of \$12.5 million in 2024-25, bringing the total capital cost of the project to \$50 million over 4 years. • Depreciation expenses of \$1.250 million per annum would apply from 2025-26 (assuming straight-line depreciation and a useful life of 40 years). • Repairs and maintenance funding would commence in the 2026-27 financial year at \$500,000, growing to \$1 million per annum ongoing from 2027-28. or depreciation expenses as the project will not be completed until the 2024-25 financial year. • Cost of financing has been calculated at 1.6 per cent. • 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.

Caveats or qualifications to the costing:

- The costs and profile of the proposal would depend on site selection and final scope. This profile would be finalised once the initial design, community consultation and scoping work has been completed in 2021-22.
- Treasury notes that the proposal does not specify the exact nature of the expansions. While the funding proposed would allow for some expansion, whether the intended scope can be achieved for the costed amount would depend on future decisions about the size of the project.

Other Comments:

This costing only includes the commitment to invest \$50 million to increase capacity for college students in Canberra's North contained in the ACT Labor *Policy Position Statement* .

- Statistical Data Used:

Treasury estimates.



David Nicol

Under Treasurer

15 October 2020