

2020 Election Commitment – ACT Greens

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| Name of Commitment: | Repairing waterways | Reference Number: GRN008 |
| Request Submitted by: | Shane Rattenbury MLA, ACT Greens | |
| Date Request Received: | 08-Oct-20 | |
| Additional Information Requested (details and date) | Clarification was sought on the nature and timing of the works to be undertaken (12-Oct-2020). | |
| Additional Information Received (details and date) | Clarification was provided on the timeframes for scoping activities and the nature of the assets (13-Oct-2020). | |

| 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)} | -262.0 | -2,370.2 | -2,742.1 | -2,866.0 | -8,240.3 |
| - Employee Expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - Other Expenses | -250.0 | -2,250.0 | -2,500.0 | -2,500.0 | -7,500.0 |
| - Cost of Financing | -12.0 | -120.2 | -242.1 | -366.0 | -740.3 |
| Depreciation | 0.0 | 0.0 | -187.5 | -375.0 | -562.5 |
| Net Operating Balance | -262.0 | -2,370.2 | -2,929.6 | -3,241.0 | -8,802.8 |
| Capital Requirement | -750.0 | -6,750.0 | -7,500.0 | -7,500.0 | -22,500.0 |
| Cash Surplus/Deficit | -1,012.0 | -9,120.2 | -10,242.1 | -10,366.0 | -30,740.3 |
| <small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small> | | | | | |
| <small>(b) Excludes depreciation</small> | | | | | |

| Other Information |
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| Costing Methodology Used: |
| - Costing Technique: |
| The funding is for a fixed level of \$30 million over four years to construct wetlands, raingardens and swales. The scope of the proposal would need to be managed within this level of funding. Treasury considers that this scope could be achieved for the costing proposed. |
| - Proposal Parameters: |
| <ul style="list-style-type: none"> It is assumed that all design and planning works would be undertaken in 2020-21, with the construction of the projects to be undertaken between 2021-22 and 2023-24. It is also assumed that individual projects would be started and completed in the same financial year. It is assumed that a 75 per cent capitalisation rate would be applied to the costs of the works across the four years including administrative and planning works, consistent with the capitalisation rate of the broader Healthy Waterways project. Depreciation has been calculated on a straight line basis over a 40-year period. Ongoing maintenance and operational costs are estimated to be approximately \$160,000 per annum. This is based on an indicative average size of a wetland, raingarden and swale as well as an average cost per square metre. It is assumed that volunteer contributions would be in addition to the maintenance and operational costs. Cost of financing has been calculated at 1.6 per cent. |
| Caveats or qualifications to the costing: |
| The number of individual wetlands, raingardens and swales delivered within the \$30 million would depend on the final composition of the individual projects chosen. The final cost of each individual project would depend on the type of infrastructure and site specific factors including size, contamination, typography and surrounding land uses, as well as construction timeframes. |
| The final composition of projects as well as the annual operational costs would impact the ultimate capitalisation rate, depreciation expense and ongoing maintenance costs. |
| Other Comments: |
| N/A |
| - Statistical Data Used: |
| <ul style="list-style-type: none"> Treasury estimates and assumptions Advice provided from the Environment, Planning and Sustainable Development Directorate A <i>Strategic Review and Analysis of ACT Urban Water Quality Management Infrastructure (2015)</i>. |



David Nicol
Under Treasurer
15 October 2020