

2020 Election Commitment – Canberra Liberals

Name of Commitment:	Better Services - Playground Revitalisation Fund	Reference Number: LIB047
Request Submitted by:	Alistair Coe MLA, Canberra Liberals	
Date Request Received:	14-Oct-20	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	TOTAL \$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	-54.7	-165.0	-297.1	-471.0	-987.9
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	-20.0	-80.0	-100.0
- Cost of Financing	-54.7	-165.0	-277.1	-391.0	-887.9
Depreciation	0.0	-171.0	-513.0	-855.0	-1,539.0
Net Operating Balance	-54.7	-336.0	-810.1	-1,326.0	-2,526.9
Capital Requirement	-3,420.0	-6,840.0	-6,840.0	-6,840.0	-23,940.0
Cash Surplus/Deficit	-3,474.7	-7,005.0	-7,137.1	-7,311.0	-24,927.9

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

Other Information
<p>Costing Methodology Used:</p> <p>- Costing Technique:</p> <p>The costing is for a fixed amount of \$25 million for playground upgrades with new destination playgrounds for the regions.</p> <p>The costing is for a fixed dollar amount. As such, the scope of the proposal and design of works would need to be managed within this level of funding. Treasury considers the amount is consistent with the proposed scope.</p>
<p>- Proposal Parameters:</p> <ul style="list-style-type: none"> • The costing request assumes that any administrative expenses associated with the program would be absorbed by the Transport Canberra and City Services Directorate. • Construction is anticipated to commence in 2020-21 and take four years to complete. • Cost of financing is calculated at 1.6 per cent. • Depreciation has been calculated on a straight line basis over a 20-year period and would be \$1.197 million per annum from 2024-25. • Repairs and maintenance would only be applicable to expenditure on the new playgrounds with zero in the first year after construction, one per cent in the second year and two per cent each year thereafter (\$240,000 per annum assuming on destination playground is built in 2020-21 and two each year for three years).
<p>Caveats or qualifications to the costing:</p> <p>Final costs, including phasing of depreciation and repairs and maintenance costs would depend on the nature and the timing of the work proposed.</p>
<p>Other Comments:</p> <p>The upgrade funding is consistent with the cost of previous playground maintenance contracts: Play Space Upgrades 2019/20 - Playground Refreshment Works (Contract 30467-NCT-001) and Play Space Upgrades 2019/20 - Shade Sails in five Playgrounds (Contract 30464-NCT-001).</p>
<p>- Statistical Data Used:</p> <p>Treasury estimates.</p>



David Nicol
Under Treasurer
15 October 2020