2016 Policy Commitment – ACT Labor

Name of Commitment: **Common Ground 2**

Reference Number: LAB047

Request Submitted by: Andrew Barr MLA, ACT Labor

Date Request Received: 12-Oct-16

Additional Information Requested (details and date) N/A

Additional Information Received (details and date) N/A

Financial Implications					
Impact On:	**2016-17 $'000**	**2017-18 $'000**	**2018-19 $'000**	**2019-20 $'000**	**TOTAL $'000**
Revenues [a]	0.0	0.0	0.0	0.0	**0.0**
Expenses [a] [b]	0.0	0.0	-208.0	-397.2	**-605.2**
- 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	0.0	-208.0	-397.2	**-605.2**
Expenses - Depreciation	0.0	0.0	0.0	0.0	**0.0**
Net Operating Balance	**0.0**	**0.0**	**-208.0**	**-397.2**	**-605.2**
Capital Requirement	0.0	0.0	-8,320.0	-7,360.0	**-15,680.0**
Cash Surplus/Deficit	0.0	0.0	-8,528.0	-7,757.2	**-16,285.2**

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

Other Information

Costing Methodology Used:
- Costing Technique:
Treasury has costed this commitment based on similar works undertaken by the ACT Government.

- Proposal Parameters:
Construction and land for a new Common Ground facility.
The facility would be around 20 per cent smaller in scope than the existing Common Ground facility.
The cost of financing has been calculated at 2.5 per cent.

Caveats or qualifications to the costing:
Capital costs are indicative only and would be fully informed by feasibility and design work.
Project management costs have not been included; it is assumed that these costs would be met from existing directorate resources.

Other Comments:
The costing does not include ongoing operational costs, as these would commence beyond 2019-20. Although they may vary depending on scope, based on the previous Common Ground project, operational costs commencing in 2020-21 may be in the order of $500,000 per annum. Depreciation would be approximately $90,000 per annum from 2020-21 onwards.

- Statistical Data Used:
Consumer Price Index estimates are as per the 2016 Pre-Election Budget Update.
Treasury estimates.

David Nicol
Under Treasurer
13 October 2016