

2020 Election Commitment – ACT Labor

Name of Commitment:	Thermal comfort in schools	Reference Number: LAB041
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)}	-9.3	-85.2	-134.5	-184.7	-413.6
- 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	-9.3	-85.2	-134.5	-184.7	-413.6
Depreciation	0.0	0.0	0.0	0.0	0.0
Net Operating Balance	-9.3	-85.2	-134.5	-184.7	-413.6
Capital Requirement	-2,313.0	-3,000.0	-3,000.0	-3,000.0	-11,313.0
Cash Surplus/Deficit	-2,322.3	-3,085.2	-3,134.5	-3,184.7	-11,726.6

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

Other Information
Costing Methodology Used:
- Costing Technique:
The funding is for a fixed level of \$14.3 million over five years starting from 2020-21. As the costing is for a fixed dollar amount to upgrade up to 10 schools, the scope of the work would need to be managed within this level of funding.
- Proposal Parameters:
<ul style="list-style-type: none"> • The proposed program would support upgrades to improve the thermal comfort at up to 10 schools. • The costing assumes the funding would be in addition to current school maintenance budgets and that administrative expenses associated with the initiative would be absorbed by the Education Directorate. • The costing assumes that as the schedule of works would be informed by future needs assessments. • The 2024-25 capital cost of this proposal is \$3 million. • The cost of financing has been calculated at 1.6 per cent.
Caveats or qualifications to the costing:
<ul style="list-style-type: none"> • Depreciation has not been included in the costing as it depends on the nature of proposed works. To the extent that the proposed works extend the useful life of assets, additional depreciation expenses would not be incurred, but to the extent that the proposed works provide new or enhance assets, depreciation impacts would be incurred. • Subject to the outcome of the site assessments, funding may not be sufficient given the requirements of the ACT Government's Climate Change Strategy requirement to replace existing space heating systems with 100 per cent electric heating systems.
Other Comments:
This costing only includes the 'school infrastructure renewal program investments for upgraded cooling and heating' element of the ACT Labor election announcement - <i>Every public school will continue to be a great school under ACT Labor.</i>
- Statistical Data Used:
Treasury estimates.



David Nicol
Under Treasurer
15 October 2020