

Request for Costing an Election Commitment

Name of policy proposal:	ACT Defence Technology Network (5 August 2016)
Person requesting costing:	Alistair Coe MLA, Shadow Treasurer
Date of request:	10 October 2016
Summary of proposal:	The Canberra Liberals will provide \$1.5 million to establish a Defence Industry Group
Issue the proposal will address:	To aid collaboration between government and industry to boost the high-tech defence industry in the ACT.

What are the key assumptions that have been made in the proposal?

Note: The costing will developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

- Costs are calculated as a SOGA leading the project, an ASO 6 providing policy support and an ASO3 providing administrative support.
- Workers compensation has been calculated at 1.86% consistent with the rate for the Economic Development Directorate (core).
- In addition to staff costs, \$100,000 a year is budgeted to engage consultants, travel and facilitate meetings with industry.
- It is envisaged that the SOGA will lead the group and engage with industry to develop the Defence Industry Plan.
- It is assumed that industry will not be remunerated for their participation.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)					
Expenses^(a)	0	-490	-495	-505	-1,490
Capital					
Depreciation					

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?

No.

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Capped.

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements (for example, does an education

proposal add to or redirect NERA funding).
No.
Will funding/the cost require indexation?
Funding for salaries has been indexed at 2.5% as per Treasury advice.
Who will administer the proposal?
The Chief Minister, Treasury and Economic Development Directorate.
How will the proposal be administered?
The secretariat for the Defence Industry Group will be based in the Chief Minister, Treasury and Economic Development Directorate. The engagement of consultants to deliver the Defence Industry Plan will also be undertaken by this Directorate.
Is the proposal part of a broader package?
No.
Has an allowance been made for expenses necessary to support the implementation of this proposal?
<ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
Funding for staff in the Chief Minister, Treasury and Economic Development Directorate has been provided. The remaining funding will be used to engage external consultants/travel.
Will the proposal generate savings or offsets?
No.
Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?
No.
What are the community impacts associated with the proposal? Who and how many people will be affected?
The community impact is expected to be positive as a result of increased investment and employment in the ACT.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
No.
What is the intended implementation date of the proposal?
1 July 2017.
When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc?
The Defence Industry Group will be fully operational for three years with the Defence Industry Plan to be delivered in 2019-20.
Will the proposal cease, and if so, when?
2019-20

Is there any additional information relevant to this proposal?

No.