


2016 Policy Commitment – Canberra Liberals

Name of Commitment:	Support for All Schools	Reference Number: LIB005
Request Submitted by:	Jeremy Hanson MLA, Canberra Liberals	
Date Request Received:	30-Sep-16	
Additional Information Requested (details and date)	Clarification was sought on whether the amount to be costed was inclusive of the existing Capital Upgrades Program (CUP) budget; 04-Oct-16.	
Additional Information Received (details and date)	Advice was provided that the amount is additional to existing CUP funding; 04-Oct-16.	

Financial Implications					
Impact On:	2016-17	2017-18	2018-19	2019-20	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a) (b)}	-3,000.0	-6,675.0	-7,366.9	-8,101.0	-25,142.9
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	-3,000.0	-6,150.0	-6,303.8	-6,461.3	-21,915.1
- Cost of Financing	0.0	-525.0	-1,063.1	-1,639.7	-3,227.8
Expenses - Depreciation	0.0	0.0	-2,100.0	-4,200.0	-6,300.0
Net Operating Balance	-3,000.0	-6,675.0	-9,466.9	-12,301.0	-31,442.9
Capital Requirement	0.0	-21,000.0	-21,000.0	-22,000.0	-64,000.0
Cash Surplus/Deficit	-3,000.0	-27,675.0	-28,366.9	-30,101.0	-89,142.9

(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 as:
<ul style="list-style-type: none"> • fixed additional recurrent funding of \$1 million per year (indexed and ongoing) for Government special schools and \$5 million per year (indexed and ongoing) for Non-Government schools. • \$64 million in capital upgrade funding to upgrade ACT Government schools.
- Proposal Parameters:
Additional recurrent funding would commence on 1 January 2017.
The capital component of this program would commence in 2017-18 and take three years to complete.
The cost of financing has been calculated at 2.5 per cent.
Depreciation has been calculated on a straight-line basis over a 10-year period, in line with the request.
Indexation of 2.5 per cent has been applied.
The implementation costs of this proposal would be undertaken within the existing resources of the Education Directorate.
Caveats or qualifications to the costing:
No additional funding for repairs and maintenance has been included as the proposed works are upgrades of existing infrastructure.
Other Comments:
N/A
- Statistical Data Used:
Treasury estimates.
Consumer Price Index estimates are as per the 2016 Pre-Election Budget Update.



 David Nicol
 Under Treasurer
 7 October 2016