2020 Election Commitment – ACT Labor

Name of Commitment: **Molonglo Library**

Reference Number: LAB061

Request Submitted by: Andrew Barr MLA, ACT Labor

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)]	0.0	0.0	-75.0	-64.0	**-139.0**
- Employee Expenses	0.0	0.0	0.0	0.0	**0.0**
- Other Expenses	0.0	0.0	-75.0	0.0	**-75.0**
- Cost of Financing	0.0	0.0	0.0	-64.0	**-64.0**
Depreciation	0.0	0.0	0.0	0.0	**0.0**
Net Operating Balance	**0.0**	**0.0**	**-75.0**	**-64.0**	-139.0
Capital Requirement	0.0	0.0	0.0	-4,000.0	**-4,000.0**
Cash Surplus/Deficit	0.0	0.0	-75.0	-4,064.0	**-4,139.0**

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

Other Information

Costing Methodology Used:
- Costing Technique:
Treasury has assessed the proposed funding against the cost of similar projects and considers it reasonable for what is proposed.

- Proposal Parameters:
- $75,000 is for co-design and community consultation in 2022-23; and $4 million for construction and fit-out works.
- The costing assumes that administrative expenses associated with the program would be absorbed by the Transport Canberra and City Services Directorate.
- The proposal would commence in 2022-23 and the library would be expected to be fully operational by end June 2024.
- Cost of financing has been calculated at 1.6 per cent.
- Depreciation of $100,000 per annum (using a 40-year useful life) from 2025-26 onwards and ongoing repairs and maintenance of $40,000 in 2025-26 and $80,000 per annum ongoing from 2026-27 would apply.

Caveats or qualifications to the costing:
- The costing assumes final design would be subject to outcomes of a public consultation and that the proposal would fit within the fixed amounts for design, fit-out works and operation.
- The outcomes of a public consultation may impact on the actual cost.
- The costing request states that operational costs would be approximately $625,000 per annum ongoing from 2024-25 (outside the forward estimates); however, actual costs for these items would need to be informed by decisions relating to the size, specific location, facilities and staffing requirements of the library.

Other Comments:
N/A

- Statistical Data Used:
Treasury estimates.

David Nicol
Under Treasurer
15 October 2020