

## 2024 Election Commitment – ACT Labor

<b>Name of Commitment:</b>	<b>More support for local artists and arts projects</b>	
	<b>Reference Number: LAB038</b>	
<b>Request Submitted by:</b>	Andrew Barr MLA, ACT Labor	
<b>Date Request Received:</b>	11-Oct-24	
<b>Additional Information Requested (details and date)</b>	N/A	
<b>Additional Information Received (details and date)</b>	N/A	

<b>Financial Implications</b>					
<b>Impact On:</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenues <sup>(a)</sup>	0.0	0.0	0.0	0.0	<b>0.0</b>
Expenses <sup>(a)(b)</sup>	0.0	-19.7	-40.4	-66.0	<b>-126.1</b>
- Employee Expenses	0.0	0.0	0.0	0.0	<b>0.0</b>
- Other Expenses	0.0	0.0	0.0	-3.8	<b>-3.8</b>
- Cost of Financing	0.0	-19.7	-40.4	-62.2	<b>-122.3</b>
Depreciation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Net Operating Balance</b>	<b>0.0</b>	<b>-19.7</b>	<b>-40.4</b>	<b>-66.0</b>	<b>-126.1</b>
Capital Requirement	0.0	-875.0	-875.0	-875.0	<b>-2,625.0</b>
Capital – Offset from ARP	0.0	500.0	500.0	500.0	<b>1,500.0</b>
<b>Net Capital Requirement</b>	<b>0.0</b>	<b>-375.0</b>	<b>-375.0</b>	<b>-375.0</b>	<b>-1,125.0</b>
<b>Cash Surplus/Deficit</b>	<b>0.0</b>	<b>-394.7</b>	<b>-415.4</b>	<b>-441.0</b>	<b>-1,251.1</b>
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

<b>Other Information</b>
<b>Costing Methodology Used:</b>
<b>- Costing Technique:</b>
This costing is for a fixed dollar amount of \$875,000 per annum over four years from 2025-26 to 2028-29 (totalling \$3.5 million) for artwork and murals on bus shelters and other existing assets. The is partially offset by \$500,000 per annum from 2025-26 to 2028-29 (totalling \$2.0 million) from TCCS's Asset Renewal Program (ARP). As such, the scope of the projects would need to be managed within this level of funding.
<b>- Proposal Parameters:</b>
<ul style="list-style-type: none"> <li>• The costing assumes that administrative expenses associated with the artwork would be absorbed by the Transport Canberra and City Services Directorate (TCCS) in consultation with ArtsACT.</li> <li>• Repairs and maintenance costs have been calculated at a rate of zero per cent in the first year following construction, one per cent in the second year and two per cent thereafter, and assumes that the net capital of \$375,000 required each financial year is for discrete projects. Repairs and maintenance expenses would be \$3,750 in 2027-28.</li> <li>• The costing assumes all individual works to be commenced and completed in a single financial year, with the proposal commencing on 1 July 2025 and ceasing 30 June 2029.</li> <li>• Cost of financing has been calculated at 5.25 per cent.</li> </ul>

**Caveats or qualifications to the costing:**

- The costing assumes the design and construction of the proposed works would be administered by TCCS as part of its existing infrastructure delivery program.
- Treasury notes that the works included in the ARP are developed on an annual basis to address the areas of highest need/priority within each Directorate. Applying the ARP as an offset to the proposed projects would be done in advance of this assessment and would reduce the capacity of TCCS to apply ARP funding to extend the useful life or improve the service delivery of other existing infrastructure assets.

**Other Comments:**

- Treasury's costing differs from that submitted as it does not include depreciation, consistent with TCCS's current accounting treatment for similar assets.
- The net cost over the Budget and forward estimate years is \$1.125 million, and \$1.5 million over the four years from 2025-26 to 2028-29 inclusive.

**- Statistical Data Used:**

Treasury estimates.



---

Stuart Hocking PSM  
Under Treasurer  
15 October 2024