

Request for Costing an Election Commitment

Name of policy proposal:	Local Shopping Centre Upgrades (16 September 2016)
Person requesting costing:	Alistair Coe MLA, Shadow Treasurer
Date of request:	7 October 2016
Summary of proposal:	The Canberra Liberals will commit \$6 million to upgrade local shopping centres across the ACT.
Issue the proposal will address:	To address much needed capital upgrades.

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.

- The costing assumes \$2 million in capital funding will be spent each year from 2017-18 to 2019-20.
- The cost of capital has been calculated at 2.5% as per Treasury advice.
- Depreciation has been calculated using the straight line method, assuming funding will be spent on infrastructure assets with a useful life of 25 years and no resale value.

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	-50	-100	-150	-300
Capital	0	-2,000	-2,000	-2,000	-6,000
Depreciation	0	0	-80	-160	-240

(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?

No. Capital funding is a flat amount per year.
Who will administer the proposal?
The Transport Canberra and City Services Directorate.
How will the proposal be administered?
The Transport Canberra and City Services Directorate will be responsible for identifying and prioritising local shopping centre upgrades across all ACT suburbs. The prioritised list of projects will be put to the Minister and agreed by Cabinet prior to implementation.
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.
No. Implementation of the policy will be met from within existing resources.
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?
Community impacts are expected to be positive due to increased investment in local facilities.
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?
TCCSD will begin identifying and prioritising projects in the first half of 2017 with funding for agreed projects to begin 1 July 2017.
Will the proposal cease, and if so, when?
Funding will cease 30 June 2020.
Is there any additional information relevant to this proposal?
No.