

Request for Costing an Election Commitment

Name of policy proposal:	Common Ground 2
Person requesting costing:	Andrew Barr, ACT Labor
Date of request:	11/10/2016
Summary of proposal:	This proposal is for the construction of a second Common Ground project.
Issue the proposal will address:	This proposal will provide improved accommodation options for persons on low incomes and/or experiencing homelessness.

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

Note: The costing will be 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.

This proposal includes funding for the design and construction of a Common Ground project. It will be located in Dickson, and based on the existing Common Ground project in Gungahlin.

This proposal includes capital funding for the purchase of land and for design and construction, and expenses for the cost of financing. Operational costs are outside the fiscal years of this costing request.

The cost of purchasing the proposed site in Dickson is approximately \$3.6 million.

The construction costs are approximately \$12.1 million, based on the indexed costs of the previous Common Ground project, but with the new building being approximately 20 per cent smaller in scope.

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)			-208.0	-397.2	-605.2
Capital			-8,320.0	-7,360.0	-15,680.0
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?

Indexation for the cost of financing is included.

Who will administer the proposal?

The Community Services Directorate (CSD).

How will the proposal be administered?

CSD will oversee the design and construction.

Is the proposal part of a broader package?

No.

Has an allowance been made for expenses necessary to support the implementation of this proposal?

- If no, will the government agency be expected to absorb expenses associated with this proposal?
- If yes, please specify the key assumptions.

The costs specified will be adequate for design and construction. Costs for overseeing the project will be met by internal resources of the ACT Government.

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 will benefit from greater support for low income and homeless persons.

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 2018.

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?

Construction will be completed in 2019-20.

Will the proposal cease, and if so, when?

Operational funding will be ongoing from 2020-21.

Is there any additional information relevant to this proposal?
No.