

2020 Election Commitment – ACT Labor

Name of Commitment:	Fast-Track Arboretum Upgrades	Reference Number: LAB048
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	2021-22	2022-23	2023-24	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	-17.5	-35.2	-57.7	-80.1	-190.4
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	-21.9	-43.7	-65.6
- Cost of Financing	-17.5	-35.2	-35.8	-36.4	-124.9
Depreciation	0.0	-109.3	-109.3	-109.3	-327.8
Net Operating Balance	-17.5	-144.5	-166.9	-189.3	-518.2
Capital Requirement	-2,185.0	0.0	0.0	0.0	-2,185.0
Cash Surplus/Deficit	-2,202.5	-35.2	-57.7	-80.1	-2,375.4

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

Other Information
Costing Methodology Used:
- Costing Technique:
The funding is for a fixed amount of \$2.185 million for infrastructure upgrades at the National Arboretum Canberra. As such, the scope of the proposal would need to fit within the level of funding identified. Treasury notes this costing has been informed by benchmarked costs and considers that this scope could be achieved for the cost proposed.
- Proposal Parameters:
<ul style="list-style-type: none"> • The project would commence in January 2021 and the expected completion is in 2020-21. • The proposal would be administered by Venues ACT in collaboration with the National Arboretum Canberra, and the costing assumes that administrative expenses associated with the program would be absorbed by Venues ACT. • Cost of financing has been calculated at 1.6 per cent. • Depreciation has been calculated on a straight line basis over 20 years, commencing in 2021-22. • Repairs and maintenance expenses are costed at zero per cent of the capital cost in the first year after construction, one per cent the year after (\$22,000), and two per cent ongoing thereafter (\$44,000 per annum).
Caveats or qualifications to the costing:
N/A
Other Comments:
The Treasury costing differs to the costing request due to the inclusion of repairs and maintenance costs.
- Statistical Data Used:
Treasury estimates.



David Nicol
Under Treasurer
15 October 2020