

## Request for Costing an Election Commitment

<b>Name of policy proposal:</b>	Support For All Schools (9 June 2016)
<b>Person requesting costing:</b>	Alistair Coe MLA, Shadow Treasurer Canberra Liberals
<b>Date of request:</b>	29 September 2016
<b>Summary of proposal:</b>	The Canberra Liberals will provide an additional \$60 million in capital funding to upgrade ACT Government schools as well as provide additional capital and ongoing funding to support students with a disability.
<b>Issue the proposal will address:</b>	Improve infrastructure and resourcing to ACT schools.

### 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.

- Costs are calculated as:
  - \$64 million in capital (\$60 million in upgrades and \$4 million to specific capital works/upgrades to Canberra’s special schools - \$1 million in each year 2017-18 and 2018-19 and \$2 million in 2019-20).
  - \$17.5 million (indexed) to the non-government school sector to support students with disabilities, starting 1 January 2017 with a half year appropriation built in to 2016-17.
  - \$1 million per year (indexed) to Canberra’s four special schools as additional resourcing, starting 1 January 2017 with a half year appropriation built into 2016-17.
- Recurrent funding has been indexed at 2.5% as per Treasury advice.
- The cost of capital has been calculated at 2.5% as per Treasury advice.
- Depreciation has been calculated using the straight line method, assuming that the capital funding will be spent on plant and equipment with a 10 year life and no resale value.
- Expenses have been rounded up to the nearest \$5,000.

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
<b>Revenue<sup>(a)</sup></b>					
<b>Expenses<sup>(a)</sup></b>	-3,000	-6,675	-7,355	-8,065	-25,095
<b>Capital</b>	0	-21,000	-21,000	-22,000	-64,000
<b>Depreciation</b>	0	0	-2,100	-4,200	6,300

(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)?

Yes. The Independent Schools Association and Catholic Education Office will have a role in administering additional funding to non-government schools.

Will funding/the cost require indexation?

Yes. Funding has been indexed at 2.5% as per Treasury advice.

Who will administer the proposal?

The Education and Training Directorate in consultation with the Independent Schools Association and the Catholic Education Office.

How will the proposal be administered?

Capital projects/upgrades will be identified and prioritised by the Education and Training Directorate.

Additional funding for non-government schools will be administered in line with current arrangements for administering funding. This additional expenditure will form part of the non-government school base funding; however, it will be quarantined for the purposes of supporting students with a disability. The specific allocation of resources will be negotiated through the Education and Training Directorate with the relevant schools/representative body.

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.

No. Any implementation costs will be met from within existing resources of the Education and Training Directorate.

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?

Positive as students will benefit.

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 January 2017 (start of school year).

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?

1 January 2017 for recurrent component with the capital funding not beginning until 1 July 2017.

Will the proposal cease, and if so, when?

Capital funding will cease in 2019-20. Recurrent is ongoing.

Is there any additional information relevant to this proposal?

No.