

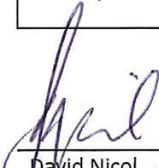
2016 Policy Commitment – ACT Labor

Name of Commitment:	Capital Upgrades for ACT Public Schools	Reference Number: LAB011
Request Submitted by:	Andrew Barr MLA, ACT Labor	
Date Request Received:	23-Sep-16	
Additional Information Requested (details and date)	Clarification was sought as to whether the amount to be costed was inclusive of the existing Capital Upgrades Program (CUP) for the Education Directorate budget; 30-Sep-16.	
Additional Information Received (details and date)	Advice was provided that the amount is inclusive of existing CUP funding; 30-Sep-16.	

Financial Implications					
Impact On:	2016-17	2017-18	2018-19	2019-20	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	0.0	-157.9	-310.4	-457.2	-925.5
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	0.0	0.0	0.0
- Cost of Financing	0.0	-157.9	-310.4	-457.2	-925.5
Expenses - Depreciation	0.0	0.0	-126.3	-245.2	-371.5
Net Operating Balance	0.0	-157.9	-436.7	-702.3	-1,296.9
Capital Requirement	0.0	-6,316.0	-5,942.0	-5,560.0	-17,818.0
Cash Surplus/Deficit	0.0	-6,473.9	-6,252.4	-6,017.2	-18,743.5

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

Other Information
Costing Methodology Used:
- Costing Technique:
Treasury has costed this commitment as a fixed funding level of \$85 million over four years to upgrade ACT public school facilities, including the Education Directorate's existing CUP budget of (\$14.570 million in year 2016-17 indexed annually). The financial implications table includes only the net additional funding (exclusive of CUP) from this commitment.
- Proposal Parameters:
<ul style="list-style-type: none"> • The program commences in 2017-18 and continues for four years. • The cost of financing has been calculated at 2.5 per cent. • Depreciation has been calculated on a straight-line basis over a fifty-year period. • No additional funding for repairs and maintenance has been included as the proposed works are upgrades of existing infrastructure. • The costing assumes that administrative expenses associated with this program would be absorbed by the Education Directorate.
Caveats or qualifications to the costing:
The proposal would include funding of \$5.167 million in 2020-21, bringing the total additional capital investment to \$22.985 million over four years. Including the existing CUP funding would bring the total investment to \$85 million over four years.
Other Comments:
N/A
- Statistical Data Used:
Treasury Estimates.


David Nicol
Under Treasurer
6 October 2016