

Request for Costing an Election Commitment

Name of proposal:	New and expanded schools – Northside – Northside College Expansion
Person requesting costing:	Andrew Barr MLA
Date of request:	9 October 2020
Summary of proposal:	<p>ACT Labor will invest \$50 million in the expansion of Northside college capacity.</p> <p>A re-elected ACT Labor Government will increase capacity for college students in Canberra’s North and will work with the school communities at Guangahlin College and Dickson College on this plan.</p>
Issue the proposal will address:	<p>The ACT population is growing and with it the need for school education for children. Enrolments at government schools as a proportion of all school enrolments are also growing.</p>

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.

Construction to commence first half of the term of Government, consultation and feasibility works commence in 2021-22.

No depreciation costs included as construction is not scheduled to be completed until 2024-25.

The \$50 million capped amount is the estimated value to cover Phase 1 (Design) and Phase 2 (Detailed Design and Construction).

Costs have been split using the profile in the table below – noting that the college expansion project will depend on site and final scope. This profile will be finalised once the initial design, community consultation and scoping work has been completed in 2021-22.

Year 1	Year 2	Year 3	Year 4
5%	30%	40%	25%

Interest costs are calculated at 1.6% as per the Standard Costing Parameters.

Costs for 2024-25 are included to provide transparency.

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)?

	2021-22	2022-23	2023-24	2024-25	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)					
Expenses^(a)	-40.0	-280.6	-605.1	-814.8	-925.8
Capital	-2,500.0	-15,000.0	-20,000.0	-12,500.0	-50,000.0
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?

No

Will funding/the cost require indexation?

N/A

Who will administer the proposal?

Education Directorate

How will the proposal be administered?

Through the Education Directorate (Infrastructure and Capital Works Branch).

Is the proposal part of a broader package?

Yes. The proposal is part of the ACT Labor's broader education policy commitments and the *New and expanded schools* package.

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 – Education Directorate will absorb the cost of the implementation of this proposal
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?
<p>ACT Labor’s plan to build new schools to keep up with growth will create and protect 1,200 local jobs.</p> <p>If re-elected, our number one priority will be to create and protect local jobs, and these new schools are part of our plan to hire more than 400 teachers and support staff during the next term of Government.</p> <p>Gungahlin is one of the fastest growing regions in the country and more Canberra families are choosing public education.</p> <p>A re-elected ACT Labor Government will increase capacity for college students in Canberra’s North and will work with the school communities at Gungahlin College and Dickson College on this plan.</p>
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?
From 1 July 2022
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.
Work to commence in 2022-23.
Will the proposal cease, and if so, when?
Work is due to be completed by 2025.
Is there any additional information relevant to this proposal?
No