

## Request for Costing an Election Commitment

Name of proposal:	Thermal Comfort in Schools
Person requesting costing:	Andrew Barr MLA
Date of request:	12 October 2020
Summary of proposal:	<p>ACT Labor will provide \$14.3 million over 5 years to improve the thermal comfort in schools, ensuring that they are cool in summer and warm in winter so that they are comfortable places for kids to learn and teachers to work.</p> <p>Some examples include:</p> <ul style="list-style-type: none"> <li>• More efficient heating at Curtin Primary School</li> <li>• Cooling and double-glazing in the hall at Evatt Primary School</li> <li>• Better heating and cooling at Monash Primary School</li> <li>• Airlocks at Amaroo and Harrison Schools</li> </ul>
Issue the proposal will address:	<p>We want the built environment of schools to reflect the high-quality education that every public school provides.</p> <p>Thermal comfort improvements will also be designed to provide energy efficiency savings for schools in the long-term.</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.

- The thermal comfort program will provide for upgrades to up to 10 schools. The actual number is contingent on the complexity of upgrades at the school and nature of the solution (building fabric, HVAC etc).

- It is assumed that all costs are capitalised for the purposes of this costing, noting that some elements may be appropriately expensed pending the type of upgrade or repair.
- Interest costs are calculated at 1.6 per cent as per the Standard Costing Parameters. Costs are applied for 2020-21 from 1 April.
- 2024-25 is included below for transparency as it is part of the commitment made by ACT Labor.
- As the schedule of works will be informed by needs assessments in Government, depreciation has not been included below as some upgrades will extend useful life while others will adjust book value of the asset. Indicatively, if all the upgrades were depreciable in any one financial year, with a 10-year asset life and nil residual value, \$300,000 in annual depreciation expense would be required.

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)?

	2020-21	2021-22	2022-23	2023-24	2024-25	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue<sup>(a)</sup></b>						
<b>Expenses<sup>(a)</sup></b>	-9.3	-85.2	-134.5	-184.7	-198.5	-413.6
<b>Capital</b>	-2,313.0	-3,000.0	-3,000.0	-3,000.0	-3,000.0	-14,313.0
<b>Depreciation</b>						

(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 – all work will be scoped to the amount allocated.

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?
ACT Education Directorate
How will the proposal be administered?
The ACT Education Directorate will deliver the upgrades
Is the proposal part of a broader package?
Yes. This proposal is part of ACT Labor's Public School Infrastructure Renewal Program.
Has an allowance been made for expenses necessary to support the implementation of this proposal?
<ul style="list-style-type: none"> <li>– If no, will the government agency be expected to absorb expenses associated with this proposal?</li> <li>– If yes, please specify the key assumptions.</li> </ul>
No – administrative costs will be absorbed by the ACT Education Directorate
Will the proposal generate savings or offsets?
There may be some associated energy efficiency savings for schools which are not included in the above costing.
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>More families are choosing public education and ACT Labor will make sure Australia's best school system continues to have facilities that are safe, comfortable and fit for learning.</p> <p>These upgrades will support and protect local jobs while providing the environment for children to learn in a comfortable and quality environment.</p>
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
N/A
What is the intended implementation date of the proposal?
From 1 April 2020

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.

The program of works will continue to be delivered through a rolling program of repairs.

Will the proposal cease, and if so, when?

The proposal is funded to 2024-25

Is there any additional information relevant to this proposal?

No