

## 2020 Election Commitment – Canberra Liberals

<b>Name of Commitment:</b>	<b>Safer school zones – Flashing lights</b>	<b>Reference Number:</b> LIB041
<b>Request Submitted by:</b>	Alistair Coe MLA, Canberra Liberals	
<b>Date Request Received:</b>	13-Oct-20	
<b>Additional Information Requested (details and date)</b>	N/A	
<b>Additional Information Received (details and date)</b>	N/A	

<b>Financial Implications</b>					
<b>Impact On:</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenues <sup>(a)</sup>	0.0	0.0	0.0	0.0	0.0
Expenses <sup>(a)(b)</sup>	-16.5	-49.5	-93.4	-158.4	-317.8
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	-10.3	-41.1	-51.4
- Cost of Financing	-16.5	-49.5	-83.1	-117.3	-266.4
Depreciation	0.0	-103.0	-308.0	-513.0	-924.0
<b>Net Operating Balance</b>	<b>-16.5</b>	<b>-152.5</b>	<b>-401.4</b>	<b>-671.4</b>	<b>-1,241.8</b>
<b>Capital Requirement</b>	<b>-1,030.0</b>	<b>-2,050.0</b>	<b>-2,050.0</b>	<b>-2,050.0</b>	<b>-7,180.0</b>
<b>Cash Surplus/Deficit</b>	<b>-1,046.5</b>	<b>-2,099.5</b>	<b>-2,143.4</b>	<b>-2,208.4</b>	<b>-7,497.8</b>

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

<b>Other Information</b>
<b>Costing Methodology Used:</b>
<b>- Costing Technique:</b>
The costing has been completed using a price by quantity methodology, based on a cost of flashing lights of \$10,000 multiplied by five sets per school for up to 150 schools.
<b>- Proposal Parameters:</b>
<ul style="list-style-type: none"> <li>• The costing assumes that administrative expenses associated with the program would be absorbed by the Education Directorate.</li> <li>• The program is anticipated to commence in 2020-21 and will take four years to complete.</li> <li>• Cost of financing has been calculated at 1.6 per cent.</li> <li>• Depreciation has been calculated on a straight line basis over a 10-year period.</li> <li>• 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, and two per cent ongoing thereafter.</li> </ul>
<b>Caveats or qualifications to the costing:</b>
<ul style="list-style-type: none"> <li>• Treasury considers that this commitment incorporates conservative estimates on the number of schools in the ACT, the cost per each set of lights and the number of lights required at each school.</li> <li>• Costs associated with the capital works such as design, feasibility, insurance and procurement costs, along with a contingency allowance, would need to be managed from within the fixed level of funding.</li> <li>• As there are currently fewer than 150 schools in the ACT (Government and non-Government), the costing assumes that any new schools opening within the forward estimates period would be covered under this proposal.</li> </ul>
<b>Other Comments:</b>
N/A
<b>- Statistical Data Used:</b>
Treasury estimates.



David Nicol  
Under Treasurer  
15 October 2020