

2020 Election Commitment – ACT Labor

Name of Commitment:	New and expanded schools – Northside – North Gungahlin High School	Reference Number: LAB037
Request Submitted by:	Andrew Barr MLA, ACT Labor	
Date Request Received:	12-Oct-20	
Additional Information Requested (details and date)	Clarification was sought as to whether the operating costs (other than general staffing) would be additional to the costing (16-Oct-20)	
Additional Information Received (details and date)	Treasury was advised the operating costs would be met from within existing resources (16-Oct-20)	

Financial Implications					
Impact On:	2020-21	2021-22	2022-23	2023-24	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	-7.0	-660.0	-1,295.6	-1,391.4	-3,354.1
- 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	-7.0	-660.0	-1,295.6	-1,391.4	-3,354.1
Depreciation	0.0	0.0	0.0	-1,416.7	-1,416.7
Net Operating Balance	-7.0	-660.0	-1,295.6	-2,808.1	-4,770.8
Capital Requirement	-1,758.9	-39,485.3	-39,065.5	-4,690.3	-85,000.0
Cash Surplus/Deficit	-1,765.9	-40,145.3	-40,361.1	-6,081.7	-88,354.1

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

Other Information
Costing Methodology Used:
- Costing Technique:
The costing is an estimate based on the cost of similar projects. This costing has been benchmarked against the cost of construction of a high school in East Gungahlin (Kenny) and covers the cost of detailed design and construction. Treasury considers that this scope could be achieved for the costing proposed.
- Proposal Parameters:
<ul style="list-style-type: none"> • Works on the new North Gungahlin High School would commence in the 2020-21 financial year with the school to commence operations in the 2024 school year. The total value of the project would be \$85 million. • Cost of financing has been calculated at 1.6 per cent. • Depreciation has been calculated on a straight-line basis over a 30-year period. • The costing assumes that administrative expenses associated with the proposal would be absorbed by the Education Directorate. • General staffing costs associated with the school would be addressed through the annual enrolment adjustment as part of the Budget process. • The first year operating costs for a new high school of this size is expected to be in the order of \$2.8 million. For the purposes of this costing, it is assumed these would be funded from within the existing resources of the ACT Education Directorate.
Caveats or qualifications to the costing:
Final capital costs are subject to the outcome of the approved design for the project and the completion date.
Other Comments:
This costing only includes the 'new school in Taylor' element of the Canberra Labor's election announcement ' <i>Labor's plan for Gungahlin</i> '. Treasury's costing differs from that submitted due to the inclusion of costs for the new high school's executive team in 2023-24.
- Statistical Data Used:
Treasury estimates.



David Nicol
Under Treasurer
16 October 2020