


## Request for Costing an Election Commitment

<b>Name of proposal:</b>	Public School Infrastructure
Person requesting costing:	Andrew Barr MLA 
Date of request:	9 October 2024
Summary of proposal:	<p>A re-elected Labor Government will invest \$150 million in upgrading our public schools.</p> <p>ACT Labor will prioritise equity in school infrastructure, by ensuring the established schools we know and love are prioritised first for a boost to their infrastructure. Essential projects like bathrooms and accessibility upgrades will be given a higher priority.</p> <p>We will also audit the heating and cooling in all ACT public schools, and begin a \$30 million upgrades program (within the above commitment) with schools prioritised according to need.</p>
Issue the proposal will address:	<p>This investment will ensure ACT public schools continue to be great places to learn and work. ACT Labor is committed to ensuring our public schools are safe, comfortable and accessible for all students. ACT Labor wants to ensure the built environment of schools reflects the high quality education that every public school provides.</p> <p>Heating and cooling improvements will be designed to provide energy efficiency savings for schools in the long-term.</p>
Proposal's public announcement details (media release or policy statement published on a party website) <sup>1</sup> :	<a href="https://andrewbarr.com.au/news/labor-media-releases/150-million-to-upgrade-the-public-schools-we-know-and-love/">https://andrewbarr.com.au/news/labor-media-releases/150-million-to-upgrade-the-public-schools-we-know-and-love/</a>

### 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.

- This proposal is to increase the Education Asset Renewal Program (ARP) as set out in the tables below.
- The \$150 million is inclusive of a new dedicated \$30 million 'Heating and Cooling' fund. The Asset Renewal Program will be adjusted to enable this dedicated fund to be established within the existing program – this will equate to \$7.5 million in each financial

<sup>1</sup> As per Part 2, section 5 of the *Election Commitments Costing Act 2012*

year from 2025-26 (partially offset by the Electrification of Government Assets Provision).

- An additional \$2 million is allocated in 2025-26 to 'fast track' already identified priority school infrastructure projects.

<b>Total proposed Education Asset Renewal Program (\$'000)</b>				
<i>2025-26</i>	<i>2026-27</i>	<i>2027-28</i>	<i>2028-29</i>	<i>Total</i>
37,425	36,449	37,512	38,712	150,098

- This proposal would be partially offset from the existing Education Asset Renewal Program and the Electrification of Government Assets Program (EOGA) as set out below.
- EOGA is identified as an offset for school heating and cooling upgrades as they transition off the gas network is within the current EOGA scope. Available EOGA funding is set out in the 2024-25 ACT Budget (Budget Statement I, Table 9).

<b>Offset sources</b>					
	<i>2025-26</i>	<i>2026-27</i>	<i>2027-28</i>	<i>2028-29</i>	<i>Total</i>
<b>Existing Education Asset Renewal Program</b>	27,925	28,949	30,012	31,212	118,098
<b>Electrification of Government Assets</b>	5,000	7,500	0	0	12,500

- Depreciation is included for the Heating and Cooling fund only (\$30 million over four years). This investment is assumed to improve existing assets or create new assets. Depreciation is assumed at 20 years with nil residual value.
- Useful life for the assets funded through the heating and cooling fund is assumed to start on July 1 following financial completion. It is assumed that individual heating and cooling upgrades will commence and be completed in a single financial year.
- Depreciation is not included for the additional 'priority projects' funding as these funds are yet to be allocated to a specific project.
- The cost for financing the additional capital component of this proposal is calculated at 5.25 per cent.
- As this proposal is partially offset from existing programs, cost of finance has been calculated only on the additional capital requirement for this commitment. The profile of the new capital (i.e. the additional capital investment) is set out in the table below.

<b>Additional Capital (\$'000)</b>				
<i>2025-26</i>	<i>2026-27</i>	<i>2027-28</i>	<i>2028-29</i>	<i>Total</i>
4,500	0	7,500	7,500	19,500

- We have included 2028-29 in the table below to appropriately account for the full ACT Labor commitment of \$150 million.

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)?

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue<sup>(a)</sup></b>						
<b>Expenses<sup>(a)</sup></b>	0	-236.3	-248.7	-655.5	-1,083.6	-2,224.0
<b>Capital<sup>(a)</sup></b>		-37,425	-36,449	-37,512	-38,712	-150,098
<b>Depreciation<sup>(a)</sup></b>	0	0	-375	-750	-1,125	-2,250
<b>Offset - Expenses<sup>(a)</sup></b>						
<b>Offset - Capital<sup>(a)</sup></b>		32,925	36,449	30,012	31,212	130,598
<b>Full-time equivalent employees</b>						

(a) A negative number indicates a decrease in revenue or an increase in expenses, depreciation or capital outflows. A positive number indicates an increase in revenue or decrease in expenses, depreciation or capital inflows. The expenses row is not to include depreciation costs.

Has any specific information or data been utilised in generating the proposal? Please provide links or attach information/data sources referenced.

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?

No

Who will administer the proposal?

Education Directorate

How will the proposal be administered?

Through the Education Directorate's existing Asset Management and Delivery Branch.

Is the proposal part of a broader package? If so, please identify the other elements of the package.

No

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. The Education Directorate will absorb the cost of the implementation of this proposal.
Will the proposal generate savings or offsets? If so, please quantify any savings or offsets.
The proposal is partially offset from the Education Asset Renewal Program and the Electrification of Government Gas Assets program.
Has the proposal been previously costed by an external (third) party? If so, 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>This proposal will have a positive impact on the whole ACT public school system, including students, teachers and families. Upgrades will ensure all ACT public schools are great places to learn and work, and improve staff and student safety.</p> <p>Families will benefit from a more equitable public school system. Families will see that the process for upgrading public school infrastructure is equitable and transparent, with upgrades prioritised for the schools that will benefit the most.</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?
July 1 2025
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.
This program will be fully operational from commencement of funding.
Will the proposal cease, and if so, when?
The proposal is funded to 2028-29.
Is there any additional information relevant to this proposal?
No