

## Request for Costing an Election Commitment

<b>Name of policy proposal:</b>	Belconnen Arts Centre – Stage 2 (27 September 2016)
<b>Person requesting costing:</b>	Alistair Coe MLA, Shadow Treasurer
<b>Date of request:</b>	7 October 2016
<b>Summary of proposal:</b>	The Canberra Liberals will provide \$15 million to build Stage 2 of the Belconnen Arts Centre.
<b>Issue the proposal will address:</b>	The need for additional arts facilities in Belconnen.

### What are the key assumptions that have been made in the proposal?

**Note:** The costing will 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 of Stage 2 of the Belconnen Arts Centre has been estimated at \$15 million.
- This cost is based off a Feasibility Study and Forward Design conducted by the ACT Government in 2013-14, which estimated a price between \$12 million and \$15 million.
- The cost of capital is calculated at 2.5% as per Treasury advice.
- Depreciation is calculated using the straight line method, for a building with a useful life of 50 years and no resale.

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)?

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue<sup>(a)</sup></b>					
<b>Expenses<sup>(a)</sup></b>	0	-375	-375	-375	-1,125
<b>Capital</b>	0	-15,000	0	0	-15,000
<b>Depreciation</b>	0	0	-300	-300	-600

(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?

Yes, The ACT Government commissioned Feasibility/Forward Design was used.

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 (for example, does an education proposal add to or redirect NERA funding).

No.

Will funding/the cost require indexation?
No.
Who will administer the proposal?
The Chief Minister, Treasury and Economic Development Directorate.
How will the proposal be administered?
The Chief Minister, Treasury and Economic Development Directorate will be responsible for engaging relevant third parties to deliver the construction of Stage 2 based off existing Forward Design plans.
Is the proposal part of a broader package?
Yes. This proposal formed part of a broader Arts announcement.
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. Implementation will be met from within existing resources.
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?
Yes – based off feasibility and forward design (government owned document).
What are the community impacts associated with the proposal? Who and how many people will be affected?
Community impacts are expected to be positive.
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?
Construction will begin in 2017-18.
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?
Construction is expected to be finished within the year.
Will the proposal cease, and if so, when?
2017-18.
Is there any additional information relevant to this proposal?
No.