

Request for Costing an Election Commitment

Name of proposal:	New and expanded schools – Northside – North Gungahlin High School
Person requesting costing:	Andrew Barr MLA
Date of request:	12 October 2020
Summary of proposal:	ACT Labor will invest \$85 million in the construction of a new high school in North Gungahlin (Taylor)
Issue the proposal will address:	<p>The ACT population is growing and with it the need for school education for children. Enrolments at government schools as a proportion of all school enrolments are also growing.</p> <p>Gungahlin is one of the fastest growing regions in the country and more Canberra families are choosing public education. The new high school in Taylor will cater for around 800 children.</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.

Construction to commence first half of the term of Government, design works commence in 2021-22.

The \$85 million estimate for a 7-10 high school build is based on the following assumptions:

- School opens for 2024 school year (noting that this need will be confirmed by the ACT Government according to forecast demand)
- Day one, term one open of the entire school
- Estimated value covers Phase 1 (Design) and Phase 2 (Detailed Design and Construction).
- Limited early works or major site remediation included, if determined after feasibility and design the year 1 spend would increase.

Costs have been split using the following profile which aligns with the financial profile for the construction of the new East Gungahlin High School (Kenny).

Year 1	Year 2	Year 3	Year 4
2%	46%	46%	6%

As works will need to commence in 2020-21, interest costs are assumed from 1 April 2021 for the 2020-21 financial year.

Depreciation commences from 1 January 2024, the asset is assumed to have a useful life of 30 years and nil residual value.

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	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)					
Expenses^(a)	-7.0	-660.0	-1,295.6	-1,391.4	-3,354.1
Capital	-1,758.9	-39,485.3	-39,065.5	-4,690.3	-85,000.0
Depreciation				-1,416.7	-1,416.7

(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 – Education Directorate baseline estimates of \$85 million for 7-10 high school construction.

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?

ACT Education Directorate

How will the proposal be administered?

Through the Education Directorate (Infrastructure and Capital Works Branch).

Is the proposal part of a broader package?
Yes. The proposal is part of the ACT Labor’s broader education policy commitments and the <i>New and expanded schools</i> package.
Has an allowance been made for expenses necessary to support the implementation of this proposal? <ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
No – Education Directorate will absorb the cost of the implementation of this proposal
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?
No
What are the community impacts associated with the proposal? Who and how many people will be affected?
ACT Labor’s plan to build new schools to keep up with growth will create and protect 1,200 local jobs. If re-elected, our number one priority will be to create and protect local jobs, and these new schools are part of our plan to hire more than 400 teachers and support staff during the next term of Government. Gungahlin is one of the fastest growing regions in the country and more Canberra families are choosing public education. The new high school in Taylor will cater for around 800 children.
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 to commence in the first half of the term of Government.
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.
It is intended that the school is operational for the 2024 year.
Will the proposal cease, and if so, when?
N/A
Is there any additional information relevant to this proposal?
No