

Request for Costing an Election Commitment

Name of policy proposal:	Mr Fluffy Board of Inquiry (9 March 2016)
Person requesting costing:	Alistair Coe MLA, Shadow Treasurer
Date of request:	12 October 2016
Summary of proposal:	The Canberra Liberals will establish a Board of Inquiry into the Mr Fluffy crisis.
Issue the proposal will address:	To examine the adequacy and effectiveness of loose fill asbestos managements regimes in the ACT.

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.

- The costs are calculated on the basis that the Board of Inquiry will present its findings within two years (2017-18 to 2018-19).
- Salary and on-costs have been included for:
 - 1 x Commissioner – assuming a salary of \$500,000
 - 1 x General Counsel – assuming a salary of \$300,000
 - 2 x Junior Counsel – assuming a salary of \$175,000
 - Support staff have been calculated as 1 x SOGA and 2 x ASO6 with a workers' compensation rate of 1.18%.
 - On-costs for Commissioner and Counsel have been calculated as leave provision of 4%, superannuation 16%, workers' compensation rate of 1.18% and administrative overhead of \$17,295 (2016-17 cost).
- A provision of \$1.5 million per year has been included for witness expenses noting that a majority of witnesses are expected to be based in the ACT and will therefore have nil travel expenses.
- A provision of \$1.5 million per year has been included for support expenses such of specialist advice, office equipment etc.
- All salaries have been indexed at 2.5% as per Treasury advice.

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
Revenue^(a)					
Expenses^(a)	0	-4,910	-4,960	0	-9,870
Capital					
Depreciation					

(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?	No.
Where relevant, is funding for the proposal to be demand driven or a capped amount?	Funding will be capped, however expenses for witnesses will be demand driven.
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?	Yes. Salaries have been indexed at 2.5% as per Treasury advice.
Who will administer the proposal?	Justice and Community Safety.
How will the proposal be administered?	The Justice and Community Safety Directorate will be responsible for establishing and administering the Board of Inquiry, including the recruitment of the Commissioner, General Counsel and Junior Counsel.
Is the proposal part of a broader package?	No.
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. 	Any expenses beyond what is provisioned will be met by the Justice and Community Safety Directorate.
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?	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?	1 July 2017.

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?

1 July 2017.

Will the proposal cease, and if so, when?

The Inquiry will be expected to present its findings within two years.

Is there any additional information relevant to this proposal?

No.