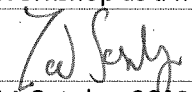


Request for Costing an Election Commitment

Name of election commitment:	<i>Development of the Kingston Arts Precinct</i>				
Person and party requesting costing:	Zed Seselja MLA, Leader of the Opposition				
Date of public release of election commitment, including source:	19 September 2012, media release 'Libs Announce Arts Plans'				
Summary of election commitment:	Development of the Kingston Arts Precinct				
Intention of election commitment:	Establish a plan for the Kingston Arts Precinct including its community and commercial operations while establishing a purpose-built facility for Megalo Print Studio to conserve the Fitter's Workshop as a multi-purpose community asset				
Signature of person requesting costing:					
Date of request for costing:	14 October 2012				
What are the key assumptions that have been made in the election commitment?					
<ul style="list-style-type: none"> - \$1.6 million in capital for a purpose-built facility for Megalo Print Studio and Gallery - This capital funding will be met from the unallocated capital budget therefore there should be no impact on the budget bottom line (except for the cost of capital) - The cost of capital has been calculated at 4.25% as per Treasury advice - Two additional staff at the ASO 6 level have been provided for the Cultural Facilities Corporation to take on the responsibility for the precincts planning and operation. - The staff costs have been calculated using the Average 2012-13 Salary Costing Template provided by Treasury, with a worker's compensation rate of 1.5%. Costs in 2012-13 are for a half year. 					
Where relevant, is the funding for the policy 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 election commitment? n/a					
Will funding/the cost require indexation? Staff costs are indexed at 3% as per Treasury advice					
What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this election commitment and estimated costs each year (if available)?					
	2012-13	2013-14	2014-15	2015-16	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)					
Expenses ^(a)	-105	-285	-290	-295	-975
Capital					
(a) A negative number indicates a decrease in revenue or an increase in expenses.					
What is the likely take up? n/a					
Any other assumptions? No costing is requested to be undertaken for 2016-17, in line with the Canberra Liberals stated					

approach to use the standard of the current published budget and forward estimates period of 2012-13 to 2015-16.

Administration of the election commitment

How will the election commitment be administered?

The Cultural Facilities Corporation has been tasked with the responsibility for the development of the precinct

Who will administer the election commitment?

The Cultural Facilities Corporation

Has an allowance been made for expenses necessary to support the implementation of this election commitment?

Additional staff for the Cultural Facilities Corporation is provided in the policy

What is the intended implementation date of the election commitment?

Additional resources will be provided to the Cultural Facilities Corporation from 1 January 2013

Are there transitional arrangements associated with election commitment implementation?

n/a

Are there any other assumptions that need to be considered?

The Arts grants including in the media release have been submitted for costing separately

When is the election commitment expected to be fully operational?

Staff costs provided from 1 January 2013 with the facility to be funded in the 2013-14 budget

Will the election commitment cease and if so when?

The staffing resources are ongoing

Kingston Arts Precinct – Costing Justification

The two additional staff for the Cultural Facilities Corporation is calculated at the ASO6 level, using the Treasury Average Salary Costing Template. Workers compensation for both staff is calculated at 1.5% of average salary as per the General Clerical grade.

$$\$75,629 \times 1.5\% = \$1,134$$

Staff costs have then been indexed at 3% over the forward estimates, consistent with Treasury advice for ACT Public Service wage increases.

The 2012-13 year is a half year cost as these staff will begin on 1 January 2013.

Kingston Arts Precinct

	2012-13	2013-14	2014-15	2015-16
Capital	0	1,600,000	0	0
Cost of Capital	0	68,000	68,000	68,000
Cultural Facilities Staff	103,622	213,462	219,866	226,462
Total Capital	0	1,600	0	0
Total Recurrent	105	285	290	295

ATTACHMENT A - 2012-13 AVERAGE SALARY COSTING TEMPLATE

Assumptions

Salary figures based on average of salary classification increments.

New staff superannuation rate is 9 per cent.

Position Level	Average Salary (a)	Superannuation (9%) (b)	LSL/LL (4%) (c)	Sub-Total (a) + (b) + (c) = (d)	Workers' Comp * (e)	Total Salary and Salary On-Costs (d) + (e) = (f)	Admin On-Costs (g)	Total Salary, Salary on-costs and admin on-costs (f) + (g) = (h)	Number of Staff (FTE) (i)	Total Costs (h) x (i) = (j)	
SOG A	123,208	11,089	4,928	139,225		139,225	17,027	156,252		0	
SOG B	112,361	10,112	4,494	126,968		126,968	17,027	143,995		0	
SOG C	93,297	8,397	3,732	105,426		105,426	17,027	122,453		0	
ASO 6	75,629	6,807	3,025	85,461	1,134.0	86,595	17,027	103,622	2.0	207,243	
ASO 5	67,666	6,090	2,707	76,462		76,462	17,027	93,489		0	
ASO 4	61,461	5,532	2,458	69,451		69,451	17,027	86,478		0	
ASO 3	54,893	4,940	2,196	62,030		62,030	17,027	79,057		0	
ASO 2	48,901	4,401	1,956	55,259		55,259	17,027	72,286		0	
ASO 1	43,025	3,872	1,721	48,619		48,619	17,027	65,646		0	
Total								2.0	207,243		0

*The applicable Workers' Compensation rate should be used to calculate this figure. The figure is a percentage of the average salary (found at Attachment B of the Standard Costing Parameters 2012)

ASO 6

	2012-13	2013-14	2014-15	2015-16
Salary	75,629			
Superannuation	6,807			
Long Service Leave	3,025			
Workers compensation	1,134			
Administrative Overhead	17,027			
Total Cost	103,622	106,731	109,933	113,231
x 2	103,622	213,462	219,866	226,462
	105	215	220	230