

## Request for Costing an Election Commitment

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| <b>Name of policy: Establishment of Tasmanian Research Centre of Excellence</b>   |
| Person requesting costing: Leader of Party X, Hon A Politician MP   |
| Date of public release of policy<br>(including source): 25 February XX, www.partyx.org.au   |
| Date of request to cost the policy: 1 March XX  |
| Summary of policy: Party X will construct and appropriately resource a Tasmanian Research Centre of Excellence to conduct high level research into challenging and significant problems facing Tasmania.  |
| Intention of policy: To develop and nurture the State's research capabilities and retain highly skilled researchers by contributing to their ongoing professional development.  |
| <b>Description of policy assumptions</b>  |
| <ul style="list-style-type: none"><li>• Key assumptions made in the policy.<br/>Construction of the Centre will take two years and once completed, will require five full time employees and recurrent funding for non-salary expenditure. It is expected that a recruitment process will be undertaken in parallel with the final stages of construction to allow the Centre to commence operations as soon as construction is finished.</li><li>• Is the policy part of a package?<br/>No.</li><li>• Will funding/costs require indexation?<br/>No.</li><li>• Estimated costs for each year (if available).<br/>Year 1: \$5 million (construction)<br/>Year 2: \$5 million (construction)<br/>Year 3: \$500 000 (operating)<br/>Year 4: \$500 000 (operating)</li><li>• What is the intended take up of the policy?<br/>Not applicable.</li></ul> |

*Note: It will be subject to the professional judgement of the Secretary as to whether these assumptions are adopted in the costing of the policy.*

### **Administration of policy**

- How will the policy be administered?

The Department of ABC will be responsible for the construction and ongoing operation of the Centre.

- Who will administer the policy?

The Department of ABC.

- Should departmental expenses associated with this policy be included in the costing?

The policy includes recurrent funding of \$500 000 per annum for the operation of the Research Centre will be provided to the Department of ABC. The Department will be responsible for absorbing expenditure on the recruitment process for the Centre, and any expenditure in excess of the recurrent allocation once the Centre commences operations.

- What is the intended date of policy implementation?

Year 0

- Are there transitional arrangements associated with policy implementation?

No.

- List the major data sources utilised to develop the policy.

Not applicable.

- Are there any other assumptions that need to be considered?

No.

## Public Release of Costing

| <b>Election policy</b>  |
|---|
| Name of policy to be costed: Establishment of Tasmanian Research Centre of Excellence |
| Costing request submitted by: Leader of Party X, Hon A Politician MP                  |
| Date request received: 2 March XX   |
| Date of public release of policy: 5 March XX  |
| Additional information requested (including date): Not applicable.                    |
| Additional information received (including date): Not applicable.                     |

| <b>Financial implications<sup>1</sup></b>  |                           |                                |                                |                                |
|--|---------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Impact on:</b>  | <b>Budget Year Year 1</b> | <b>Forward Estimate Year 2</b> | <b>Forward Estimate Year 3</b> | <b>Forward Estimate Year 4</b> |
|  | <b>\$'000</b>             | <b>\$'000</b>                  | <b>\$'000</b>                  | <b>\$'000</b>                  |
| Net Operating Balance  | nil                       | nil                            | (500)                          | (500)                          |
| Fiscal Balance   | (3 500)                   | (6 500)                        | (500)                          | (500)                          |
| Consolidated Fund  | (3 500)                   | (6 500)                        | (500)                          | (500)                          |
| Note:<br>1. A negative number indicates a decrease in revenue or an increase in expenses.  |                           |                                |                                |                                |
| <b>Other Information</b>   |                           |                                |                                |                                |
| Caveats or qualifications to the costing: Not applicable.  |                           |                                |                                |                                |
| Other comments: Not applicable.  |                           |                                |                                |                                |
| Costing methodology used: <ul style="list-style-type: none"> <li>• Costing technique</li> </ul> <p>The \$10 million construction cost includes \$500 000 for design, planning and tendering in Year 1 and will be funded from the Capital Investment Program. Due to the time required for the design, planning and tendering of the project, it is assumed that \$3.5 million will be incurred in Year 1, and \$6.5 million in Year 2.</p> <p>A permanent Consolidated Fund allocation of \$500 000 per annum will be provided to the Department of ABC for the ongoing operation of the Centre, commencing on 1 July Year 3.</p> |                           |                                |                                |                                |

- Policy parameters

Funding for the construction of the Centre and its ongoing operation is not indexed.

Statistical data used: Not applicable.

Behavioural assumptions used: Not applicable.