

Request for Costing an Election Commitment

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| Name of proposal: | Targeted business incentive program for GP clinics and pharmacies |
| Person requesting costing: | Alistair Coe MLA |
| Date of request: | 30 September 2020 |
| Summary of proposal: | Through targeted business incentives to: <ul style="list-style-type: none"> • Increase GP bulk billing rates and offer longer opening hours; and • Encourage pharmacies to open longer hours. The program will be designed and delivered in consultation with key stakeholders. |
| Issue the proposal will address: | This program will improve access to timely and affordable GP and pharmacy services across the ACT. The ACT has the lowest rate of bulk-billing in Australia. |

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.

Business costs such as government rates and taxes and commercial rents can impede the ability of GP practices and pharmacies in their endeavor to provide more affordable access to services. Consequently, the Canberra Liberals will provide targeted support to these providers in order to achieve increased gap-free services and longer trading hours.

This program is a capped program, starting at \$1m for the final six months of 2020-21, and indexed from there onwards.

It will be administered by the ACT Health Directorate and/or Canberra Health Services using existing resources.

The final design and operations of the program will be informed by consultations with key stakeholders and support will vary depending on the individual GP clinic or pharmacy.

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) | -1,000 | -2,025 | -2,055.4 | -2,091.3 | -7,171.7 |
| Capital | | | | | |
| Depreciation | | | | | |

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

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| 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? |
| 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? |
| Yes – funding will be provided to GP clinics and pharmacies that participate in the program by increasing their bulk-billing rates and/or extend opening hours. |
| Will funding/the cost require indexation? |
| Yes |
| Who will administer the proposal? |
| ACT Health Directorate/Canberra Health Services |
| How will the proposal be administered? |
| Through the ACT Health Directorate/Canberra Health Services |
| Is the proposal part of a broader package? |
| Yes – the Canberra Liberals’ plan for Better Access to Healthcare |
| 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 – the ACT Health Directorate/Canberra Health Services will administer this program from existing resources. |
| Will the proposal generate savings or offsets? |
| N/A |
| 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 |

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| be affected? |
| The community will benefit from more affordable and timely access to primary health and pharmacy services. |
| 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 January 2021. |
| 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 January 2021. |
| Will the proposal cease, and if so, when? |
| The proposal continues over the budget period. |
| Is there any additional information relevant to this proposal? |
| No |