

2024 Election Commitment – ACT Labor

Name of Commitment:	Expanding Paediatric ED Beds	Reference Number: LAB033
Request Submitted by:	Andrew Barr MLA, ACT Labor	
Date Request Received:	10-Oct-24	
Additional Information Requested (details and date)	Clarification was sought to confirm whether the commitment concerned the Paediatric Emergency Department in the CSB or the High Care Paediatric Unit in Building 1 (11-Oct-2024).	
Additional Information Received (details and date)	Response received clarifying that the commitment concerns the former (15-Oct-2024).	

Financial Implications					
Impact On:	2024-25	2025-26	2026-27	2027-28	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	0.0	-4,157.1	-8,445.5	-8,675.2	-21,277.8
- Employee Expenses	0.0	-3,552.1	-7,310.0	-7,508.3	-18,370.4
- Other Expenses	0.0	-500.0	-1,025.0	-1,050.6	-2,575.6
- Cost of Financing	0.0	-105.0	-110.5	-116.3	-331.8
Depreciation	0.0	0.0	-200.0	-200.0	-400.0
Net Operating Balance	0.0	-4,157.1	-8,645.5	-8,875.2	-21,677.8
Capital Requirement	0.0	-2,000.0	0.0	0.0	-2,000.0
Cash Surplus/Deficit	0.0	-6,157.1	-8,445.5	-8,675.2	-23,277.8
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

Other Information
Costing Methodology Used:
- Costing Technique:
This costing is for \$21.278 million in expense funding over three years from 2025-26 to 2027-28 inclusive, indexed and ongoing, and \$2.0 million in capital funding in 2025-26, to fund six additional paediatric Emergency Department (ED) beds in the Critical Services Building at the Canberra Hospital to meet the growing demand for specialist healthcare for children and young people in the ACT.
The expense funding comprises \$18.370 million in staffing costs for administrative staff and health professionals, nurses, and medical practitioners (46.8 full-time equivalent (FTE) positions in total); \$2.576 million in operating costs; and capital financing costs of \$332,000.
- Proposal Parameters:
<ul style="list-style-type: none"> • The cost of financing is assumed to be 5.25 per cent. • Operating expenses are indexed to CPI and salaries have been estimated using the Average Salary Costing Template. • Depreciation has been calculated on a straight line basis over a 10-year period. • The costing has used a workers' compensation rate of 1.76 per cent. • The six additional paediatric beds are assumed to become operational from 1 January 2026, so a half-year effect has been applied in 2025-26.

Caveats or qualifications to the costing:

- The costing has followed the FTE numbers, capital requirements and estimated operating expenses in the request. However, Treasury cannot verify if these costings accurately represent the cost of the proposed expansion of paediatric ED, as the Standing Costing Parameters do not provide estimates for paediatric ED beds.
- For this reason, this costing should be considered indicative only.
- Treasury also notes that existing capacity constraints of the Critical Services Building ED may limit the expansion of paediatric services, or result in additional costs depending on the final site selected.

Other Comments:

This costing differs from the costing in the request due to differences in estimating staffing costs for the requested number of FTE, with Treasury's calculations for cost per staff position proposed in the costing request being marginally higher.

- Statistical Data Used:

Treasury estimates.



Stuart Hocking PSM
Under Treasurer
17 October 2024