

Request for Costing an Election Commitment

Name of proposal:	Perinatal Mental Health Residential Mother and Baby Unit - Construction
Person requesting costing:	Andrew Barr MLA 
Date of request:	11 October 2024
Summary of proposal:	Construction of a Perinatal Mental Health Residential Mother and Baby Unit
Issue the proposal will address:	This proposal will support the mental health of new parents with specialist services dedicated to supporting people with a mental illness in the perinatal period.
Proposal's public announcement details (media release or policy statement published on a party website) ¹ :	More maternity services and support for families (andrewbarr.com.au)

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.

Perinatal Mental Health Residential Mother and Baby Unit

Delivery of this proposal includes a \$7 million capital provision commencing in 2025-26 for the design and fit-out of a Perinatal Mental Health Residential Mother and Baby Unit at an established ACT Government health facility. Capital funding is assumed to be \$3 million in 2025-26, \$3.5 million in 2026-27 and \$500k in 2027-28 for financial completion requirements.

This capital assumption is based on the delivery of 8 public beds at Catherines House in Queensland as an equivalent public facility.

Depreciation has been calculated on a straight line basis with a useful life of 40 years with nil residual value. Useful life is assumed to start on 1 July 2027.

Financing for capital has been calculated at 5.25% from 2025-26 as the first year of borrowing capital funding and consistent with the standard costing parameters as below.

	2024-25	2025-26	2026-27	2027-28	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financing Costs	0	-157.5	-349.5	-394.1	-901.1

This is included in the expenses line of this costing below.

¹ As per Part 2, section 5 of the *Election Commitments Costing Act 2012*

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)?

	2024-25	2025-26	2026-27	2027-28	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)	0	0	0	0	0
Expenses ^(a)	0	-157.5	-349.5	-394.1	-901.1
Capital ^(a)	0	-3,000.0	-3,500.0	-500.0	-7,000.0
Depreciation ^(a)	0	0	0	-175.0	-175.0
Offset - Expenses ^(a)	0	0	0	0	0
Offset - Capital ^(a)	0	0	0	0	0
Full-time equivalent employees	0	0	0	0	

(a) A negative number indicates a decrease in revenue or an increase in expenses, depreciation or capital outflows. A positive number indicates an increase in revenue or decrease in expenses, depreciation or capital inflows. The expenses row is not to include depreciation costs.

Has any specific information or data been utilised in generating the proposal? Please provide links or attach information/data sources referenced.

Royal Australian and New Zealand College of Psychiatrists Position Paper - [Perinatal mental health services | RANZCP](#)
<https://statements.qld.gov.au/statements/97438>

Where relevant, is funding for the proposal to be demand driven or a capped amount?

The delivery of this project will be capped to the amount allocated.

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?

No

Will funding/the cost require indexation?

No

Who will administer the proposal?

The ACT Health Directorate

How will the proposal be administered?

ACT Health Directorate Infrastructure Division will be responsible for the capital components of this proposal.

Is the proposal part of a broader package? If so, please identify the other elements of the package.

Yes, the construction of this facility and subsequent employment of staff is a part of Labor's plan to hire an extra 800 health workers.

Has an allowance been made for expenses necessary to support the implementation of this proposal?
– If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
Yes – a capitalised labour position of 1 FTE SOGB position in 2025-26 and 2026-27 will support the delivery of this project. This is included in the \$7 million capital funding.
Will the proposal generate savings or offsets? If so, please quantify any savings or offsets.
No
Has the proposal been previously costed by an external (third) party? If so, 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?
Perinatal mental health conditions are estimated to impact 1 in every 5 new and expecting mothers in Australia, these range from mild to severe conditions that require a range of service responses. These conditions can impact outcomes for pregnancy, babies and parents including attachment, breastfeeding and sleep. The Royal Australian and New Zealand College of Psychiatrists using Royal College of Psychiatrists (UK) estimations recommends 8 parent-baby unit beds for 15,000 deliveries, in the ACT there were 6352 births in 2022.
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?
Construction to commence in 2025-26.
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.
The Perinatal Residential Mental Health Unit to be fully operational in 2027-28.
Will the proposal cease, and if so, when?
This proposal will be ongoing.
Is there any additional information relevant to this proposal?
No