

2024 Election Commitment – ACT Greens

Name of Commitment:	Health Board	Reference Number: GRN013
Request Submitted by:	Shane Rattenbury MLA, ACT Greens	
Date Request Received:	11-Oct-24	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

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)}	-735.5	-826.9	-832.1	-837.0	-3,231.5
- Employee Expenses	-85.5	-176.9	-182.1	-187.0	-631.5
- Other Expenses	-650.0	-650.0	-650.0	-650.0	-2,600.0
- Cost of Financing	0.0	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0
Net Operating Balance	-735.5	-826.9	-832.1	-837.0	-3,231.5
Capital Requirement	0.0	0.0	0.0	0.0	0.0
Cash Surplus/Deficit	-735.5	-826.9	-832.1	-837.0	-3,231.5
<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:
<p>This costing is to establish a statutory independent Health Board to oversee the ACT healthcare system. It comprises:</p> <ul style="list-style-type: none"> i. \$632,000 in expenses for an independent secretariat to administer the board; and ii. \$2.6 million in expenses for the remuneration and allowances for the Board Chair, Deputy Chair, and members. <p>Given that this would be a statutory board, the costing assumes that the per diem remuneration rate is \$1,200 for the Chair, \$1,000 for the Deputy Chair, and \$800 for members. The per diem rate has been calculated based on the rate for the current ACT Health System Council who undertake similar work in a non-statutory capacity but at a comparable rate of pay to a statutory board. More information on this can be found at:</p> <p>https://www.remunerationtribunal.act.gov.au/_data/assets/pdf_file/0007/2336245/Determination-18-of-2023-PTPOH.pdf.</p>

- Costing Technique continued:

The costing assumes there will be eight members, and 50 working days per Board member (including the Chair and Deputy Chair), as per the submitted costing. As the submitted costing states that the CEO of Canberra Health Services and the Director General of the Health Directorate would be members, the costing only accounts for six members, as current public service officers do not receive additional remuneration for serving on a Board where their role is ex officio.

The costing assumes \$300,000 per year in allowances, noting that this is an approximate cost only. Treasury considers that the submitted costing's estimate for such additional costs (which equates to almost \$600,000 per annum) is materially higher than is likely to be required.

The independent secretariat to administer the Board has been costed to the equivalent of a Senior Officer Grade C.

The costing also assumes no additional expense for the search, recruitment, and selection of the Board, as Treasury considers that this work is a business as usual activity for the ACT Health Directorate and can be undertaken from within existing resources.

- Proposal Parameters:

- The costing assumes that administrative expenses associated with the program would be absorbed by the ACT Health Directorate.
- Treasury considers that any change to legislation to implement this statutory body is within the usual business of the ACT Health Directorate and can be done with existing agency resources.
- To allow time for ramping up in the first financial year of the policy, the costing assumes that costs in the first year would only be 50 per cent of the full annual cost, considering the number of months that will remain in the 2024-25 financial year after the formation of government, and reduced the estimated costs accordingly.
- The costing assumes that the independent secretariat will commence from 1 January 2025, and that the Board members will commence from 1 July 2025 to allow time for recruitment.
- The costing has used a workers' compensation rate of 1.45 per cent.

Caveats or qualifications to the costing:

The expense profile would be subject to the recruitment of suitably qualified Board members and their respective start dates.

Other Comments:

Treasury's costing differs from that submitted due to basing the daily remuneration rates off the ACT Health System Council rather than the CIT Governing Board, as the CIT Governing Board are not remunerated at a rate which would be applied to a statutory board.

- Statistical Data Used:

Treasury estimates.



Stuart Hocking PSM
Under Treasurer
17 October 2024