

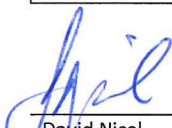
2016 Policy Commitment – Canberra Liberals

Name of Commitment:	Expansions of Canberra Hospital	Reference Number: LIB051
Request Submitted by:	Jeremy Hanson MLA, Canberra Liberals	
Date Request Received:	12-Oct-16	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2016-17	2017-18	2018-19	2019-20	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a) (b)}	-200.0	-3,630.0	-6,845.8	-17,254.8	-27,930.5
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	0.0	-7,112.9	-7,112.9
- Cost of Financing	-200.0	-3,630.0	-6,845.8	-10,141.9	-20,817.6
Expenses - Depreciation	0.0	0.0	0.0	0.0	0.0
Net Operating Balance	-200.0	-3,630.0	-6,845.8	-17,254.8	-27,930.5
Capital Requirement	-8,000.0	-137,000.0	-125,000.0	-125,000.0	-395,000.0
Cash Surplus/Deficit	-8,200.0	-140,630.0	-131,845.8	-142,254.8	-422,930.5

(a) A negative number indicates a decrease in revenue or an increase in expenses.
(b) Excludes depreciation expenses.

Other Information
Costing Methodology Used:
- Costing Technique:
Treasury has costed the capital component of this commitment as a capped amount for design and construction of \$395 million across four years. The scope of the capital commitment would need to be managed within this level of funding. The operating costs have been calculated based on standard costing parameters for acute care beds and intensive care beds.
- Proposal Parameters:
Capital costs and timing are indicative only and would be fully informed by design work. Costs have been reallocated across 2016-17 and 2017-18 to reflect likely timing. It is assumed that construction would commence in 2017-18 and be completed in 2019-20. The cost of financing has been calculated at 2.5 per cent. The costing assumes 24 acute care beds and two intensive care beds would commence operation in 2019-20, subject to relocation. The recurrent funding in 2019-20 is assumed to cover both relocation and operational costs in that financial year. Project management costs have not been included; it is assumed that these costs would be met from within existing directorate resources. The costing assumes that items required to bring the hospital building into full operation, including furniture and fittings, specialist medical equipment, and information and communication technology will be met from the identified capital funding.
Caveats or qualifications to the costing:
Existing infrastructure projects underway may be ceased to provide some of the funding for this construction, which would reduce the cost of the commitment to the ACT Budget. The financial impact of writing-off the existing facilities has not been costed. Site preparation costs have not been included. This costing does not include any funding for additional beds on top of the 26 envisaged in the original Stage 1A design of the Building 2/3 redevelopment.
Other Comments:
The Canberra Liberals have committed to invest in a new hospital building on the Canberra Hospital site, which it has estimated will cost \$423.8 million.
- Statistical Data Used:
ACT Health and Treasury estimates. Standard costing parameters 2016.



David Nicol
Under Treasurer
3 October 2016