

2016 Policy Commitment – ACT Labor

Name of Commitment:	Two More Dental Vans	Reference Number: LAB005
Request Submitted by:	Andrew Barr MLA, ACT Labor	
Date Request Received:	16-Sep-16	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	TOTAL \$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a) (b)}	0.0	0.0	-361.8	-708.1	-1,069.9
- Employee Expenses	0.0	0.0	-218.8	-448.3	-667.1
- Other Expenses	0.0	0.0	-110.5	-226.4	-336.9
- Cost of Financing	0.0	0.0	-32.5	-33.3	-65.9
Expenses - Depreciation	0.0	0.0	-65.1	-130.1	-195.2
Net Operating Balance	0.0	0.0	-426.8	-838.2	-1,265.0
Capital Requirement	0.0	0.0	-1,301.1	0.0	-1,301.1
Cash Surplus/Deficit	0.0	0.0	-1,662.9	-708.1	-2,371.0

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

Other Information
<p>Costing Methodology Used:</p> <p>- Costing Technique: Treasury has costed this commitment based on purchase costs, fitout costs and operating expenses associated with the existing dental van, which was funded in the 2013-14 Budget.</p>
<p>- Proposal Parameters: Procurement and fit-out of the vans in the first half of 2018-19, with operating commencing in January 2019. The cost of vans, fit-outs and operating expenses based on existing services have been indexed for CPI. Depreciation is assumed to be across 10 years commencing in the first half of 2018-19, with no residual value.</p> <p>Employees are assumed to be:</p> <ul style="list-style-type: none"> • 2 Health Professionals level 3; and • 2 Qualified Dental Assistants level 2. <p>Operating expenses include: Medical and surgical supplies; domestic services; pharmaceuticals; repairs and maintenance; computer and communication expenses; agency nurse and non-contract services; and other supplies and services.</p>
<p>Caveats or qualifications to the costing: Operating expenses would be ongoing.</p>
<p>- Statistical Data Used:</p> <ul style="list-style-type: none"> • Cost of financing has been calculated at 2.5 per cent. • Health Directorate and Treasury estimates. • Relevant Enterprise Bargaining Agreement, plus standard salary on-cost rates.



David Nicol

Under Treasurer

22 September 2016