2016 Policy Commitment – ACT Labor

Name of Commitment: **Design Costings – SPIRE Centre at the Canberra Hospital**

Reference Number: LAB052

Request Submitted by: Andrew Barr MLA, ACT Labor

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 $'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	-75.0	-251.9	**-326.9**
- Employee Expenses	0.0	0.0	0.0	0.0	**0.0**
- Other Expenses	0.0	0.0	0.0	0.0	**0.0**
- Cost of Financing	0.0	0.0	-75.0	-251.9	**-326.9**
Expenses - Depreciation	0.0	0.0	0.0	0.0	**0.0**
Net Operating Balance	**0.0**	**0.0**	**-75.0**	**-251.9**	**-326.9**
Capital Requirement	0.0	0.0	-3,000.0	-7,000.0	**-10,000.0**
Cash Surplus/Deficit	0.0	0.0	-3,075.0	-7,251.9	**-10,326.9**

(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 this commitment as a fixed amount of $10 million in capital funding over two years exclusively for design work associated with the proposed Surgical Procedures, Interventional Radiology and Emergency (SPIRE) Centre.

- Proposal Parameters:

The costing assumes capped initial design funding.
The cost of financing has been calculated at 2.5 per cent.

Caveats or qualifications to the costing:

The proposed delivery timeframe may necessitate quicker completion of design than outlined in the commitment resulting in a bring forward of funding from 2019-20 into 2018-19.
The above costing is for design only.
No feasibility funding has been costed in this proposal.
Capital construction costs of $500 million outlined in the request would occur after 2019-20 and are indicative only.
These costs would need to be fully informed by scoping and design work.
The costing does not include the write-off of the net book value should any existing structures need to be demolished.
It also does not include any operating costs (including staffing, maintenance and depreciation) associated with a new facility.

Other Comments:

The ACT Labor Party has committed to build the SPIRE Centre at an estimated cost of $500 million.

- Statistical Data Used:

Treasury estimates.

David Nicol
Under Treasurer
13 October 2016