

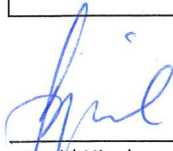
**2016 Policy Commitment – ACT Labor**

<b>Name of Commitment:</b>	<b>Indigenous Health Centre</b>	<b>Reference Number:</b> LAB009
<b>Request Submitted by:</b>	Andrew Barr MLA, ACT Labor	
<b>Date Request Received:</b>	21-Sep-16	
<b>Additional Information Requested (details and date)</b>	N/A	
<b>Additional Information Received (details and date)</b>	N/A	

<b>Financial Implications</b>					
<b>Impact On:</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenues <sup>(a)</sup>	0.0	0.0	0.0	0.0	<b>0.0</b>
Expenses <sup>(a) (b)</sup>	0.0	-150.0	-303.8	-311.3	<b>-765.1</b>
- Employee Expenses	0.0	0.0	0.0	0.0	<b>0.0</b>
- Other Expenses	0.0	0.0	0.0	0.0	<b>0.0</b>
- Cost of Financing	0.0	-150.0	-303.8	-311.3	<b>-765.1</b>
Expenses - Depreciation	0.0	0.0	0.0	-200.0	<b>-200.0</b>
<b>Net Operating Balance</b>	<b>0.0</b>	<b>-150.0</b>	<b>-303.8</b>	<b>-511.3</b>	<b>-965.1</b>
<b>Capital Requirement</b>	0.0	-6,000.0	-6,000.0	0.0	<b>-12,000.0</b>
<b>Cash Surplus/Deficit</b>	0.0	-6,150.0	-6,303.8	-311.3	<b>-12,765.1</b>

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

<b>Other Information</b>
<b>Costing Methodology Used:</b>
<b>- Costing Technique:</b>
Treasury has costed this commitment as a fixed capital investment capped at \$12 million. Based on the floor space and construction costs of the Tuggeranong, Gungahlin and Belconnen Health Care Centres, this amount is considered reasonable to construct the proposed facility.
<b>- Proposal Parameters:</b>
<ul style="list-style-type: none"> <li>• Construction would commence in 2017-18 and be completed in 2018-19, with the facility operational in 2019-20.</li> <li>• Fixed investment of \$12 million.</li> <li>• The cost of financing has been calculated at 2.5 per cent.</li> <li>• Depreciation has been calculated on a straight line basis over a 60 year period.</li> <li>• The costing assumes that administrative expenses associated with the program would be absorbed by the Health Directorate.</li> </ul>
<b>Caveats or qualifications to the costing:</b>
No other costs have been calculated for this commitment. This costing does not include land costs, furniture, equipment, administrative costs, repairs and maintenance, pharmaceuticals nor any staff costs. With the exception of land costs, these other costs would be ongoing, and would commence after construction is completed in 2019-20. Capital costs are indicative only and would be fully informed by feasibility and design work.
<b>Other Comments:</b>
N/A
<b>- Statistical Data Used:</b>
Economic forecasts from the 2016 Pre-Election Budget Update.

  
David Nicol  
Under Treasurer  
27 September 2016