Request for Costing an Election Commitment

Name of proposal:	Walk-in health centre – Additional Centres
Person requesting costing:	Andrew Barr, MLA
Date of request:	14 October 2020
Summary of proposal:	As part of a network of five new walk-in health centres, ACT Labor will establish a health centre in Coombs which will be co-located with the existing National Health Co-op general practice clinic. The Coombs walk-in health centre has been designed as a pilot program of an integrated model between walk-in health centres and GPs. Additionally, ACT Labor will undertake a feasibility study to work with local communities in the Inner South, Tuggeranong, West Belconnen and North Gungahlin to expand walk-in and appointment-based health services in those regions, led by our skilled nurses and nurse practitioners. ACT Labor has committed to three centres becoming operational in the next term of Government. ACT Labor has committed to expanding the network of five nurse led walk-in centres to provide better healthcare, where and when Canberrans need it. The five new local walk-in health centres will be delivered in areas of future growth and need outside our town centres. These areas are: • South Tuggeranong • West Belconnen • Inner South • North Gungahlin • Molonglo

	The centres will complement the existing nurse-led Walk-in Centres, providing access to immediate care as well as appointment-based services that meet the needs of local communities.
Issue the proposal will address:	ACT Labor will always be committed to delivering high quality healthcare when and where Canberrans need it. Over the last decade, the ACT Labor Government has invested more than $1 billion in healthcare infrastructure and doubled investment in frontline services. From the innovative nurse led Walk-in Centres that Canberrans have embraced to a specialist women and children's hospital, regional cancer centre and rehabilitation hospital, we've been building a health system that provides better care, closer to home for all Canberrans.

What are the key assumptions that have been made in the proposal?

Note: The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

A re-elected Labor Government will start the planning and feasibility for the network of five centres. They will be rolled out progressively between 2021-22 and the middle of the decade.

ACT Labor has committed $2 million from 1 January 2021 to 30 June 2022 to work with the community on feasibility to determine appropriate site location and service offerings to best match community need. A large range of factors will determine whether each centre requires a new build or refurbishment, or if there are options to repurpose an existing building. The ACT Government took a similar approach with the Weston Creek nurse-led walk-in centre and the Inner-North nurse-led walk-in centre.

Individual capital costs for each of the four new walk-in centres (noting Coombs Clinic has been separately submitted for costing) will be determined once this feasibility and scoping work is complete.

As a general guide, a community health hub of 12 consultation rooms and 6 treatment rooms would cost $14.3 million – however this would be reduced if it was a refurbishment rather than a new build, and required size will be determined by the services to be offered.

Once operational, facilities will require ongoing operating expenditure which will vary depending on size and scope of practice but will be indicatively $4 to $6 million.

The process to determine which centres will open first will be based on factors such as the scope of service, and the preferred site of the centre.

Feasibility works are expensed for the purposes of this costing, however as ACT Labor is committed to delivery, part of the works are likely to be capitalised. As this is the assumption depreciation and interest costs are not considered in this costing.

ACT Labor has provisioned $45 million across the forward estimates – noting that final costs will be determined following full feasibility and community consultation as indicated above and below. This will allow work to commence construction and demonstrates ACT Labor's commitment to delivery.

Interest costs are calculated on this provision using the standard costing parameters but depreciation has not been considered.

Background Information

Walk-in-Centre	Budget	Actual Cost	Opening Date
Tuggeranong Community Health Centre	$19.0 million^	$18.9 million	Jun-14
Gungahlin	$2.9 million~	$2.5 million	Sep-18
Weston Creek Community Health centre	$4.9 million*	$4.4 million	Dec-19
Inner North	$1.7 million*	Contract under finalisation	Aug-20

^ As published in the 2008-09 Budget Paper No. 4 (pg.170) and 2010-11 Budget Paper No. 4 (pg. 235)
~ As published in the 2017-18 Statement C (pg.27) / Legislative Assembly for the ACT: 2018 Week 3 Hansard (20 March - pg.721)
* As published in the 2019-20 Statement C (pg. 49,52)

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2020-21	2021-22	2022-23	2023-24	2024-25	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue[(a)]						
Expenses[(a)]	-500.0	-1,500.0	-240.0	-483.8	-731.6	-3,455.4
Capital			-15,000.0	-15,000.0	-15,000.0	-45,000.0

Depreciation						

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?

Yes – the indicative cost of $14.3 million is informed by the following assumptions, however final costs may vary.

Items	**Cost**	**Assumptions**
Building Cost (the Net Construction Cost – NCC)	5,054	1,083 m2 @ 3,840 - $4.159 million Site Specific Costs (total $0.895 million)
Allowances, Overheads and Margins (this figure added to the NCC provides the Gross Construction Cost (GCC))	1,819	Preliminaries (26% of NCC), Margin (5% of NCC), Staging (5% of NCC)
Management and Delivery	2,268	Contract Management (19% of GCC), CHS internal PM (5% of GCC), insurance and authority fees and charges (2% of GCC), Commissioning/Transition (4.5% of GCC), BIM integration (2.5% of GCC)
Furniture and Fittings	1,100	16 per cent of GCC
Infrastructure and Systems	961	13 per cent of GCC
Telehealth support systems	550	
Contingencies	1,922	Planning (3%), Design (3%), Construction (3%), Client (6%)
MPC Fees	599	4%
Escalation		Not applied as not determined when construction would occur
Total	**14,273**	

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Final costs will be determined through the feasibility and scoping works.

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements?

No

Will funding/the cost require indexation?

N/A

Who will administer the proposal?
Canberra Health Services (CHS) in consultation with Major Projects Canberra
How will the proposal be administered?
CHS will provide the staffing and manage the operation of the Clinic as part of its administration of the existing Walk-in Centre network.
Is the proposal part of a broader package?
Yes. The proposal is part of ACT Labor's *Walk-in Health Centres* package.
Has an allowance been made for expenses necessary to support the implementation of this proposal? – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
No. CHS will absorb expenses associated with the implementation of the proposal.
Will the proposal generate savings or offsets?
No.
Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?
No.
What are the community impacts associated with the proposal? Who and how many people will be affected?
All Canberrans. ACT Labor will always be committed to delivering high quality healthcare when and where Canberrans need it. Over the last decade, the ACT Labor Government has invested more than $1 billion in healthcare infrastructure and doubled investment in frontline services. From the innovative nurse led Walk-in Centres that Canberrans have embraced to a specialist women and children's hospital, regional cancer centre and rehabilitation hospital, we've been building a health system that provides better care, closer to home for all Canberrans.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
No.
What is the intended implementation date of the proposal?
Early 2021
When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc.
The centres will be rolled out progressively between 2021-22 and the middle of the

decade.
Will the proposal cease, and if so, when?
No
Is there any additional information relevant to this proposal?
No