

2020 Election Commitment – ACT Greens

Name of Commitment:	Aboriginal drug and alcohol residential rehabilitation facility	Reference Number: GNR015
Request Submitted by:	Shane Rattenbury MLA, ACT Greens	
Date Request Received:	09-Oct-20	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2020-21	2021-22	2022-23	2023-24	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	-32.0	-192.5	-1,260.9	-2,443.3	-3,928.8
- Employee Expenses	0.0	0.0	-723.3	-1,475.6	-2,198.9
- Other Expenses	0.0	0.0	-310.0	-736.5	-1,046.5
- Cost of Financing	-32.0	-192.5	-227.6	-231.2	-683.3
Depreciation	0.0	0.0	-125.0	-250.0	-375.0
Net Operating Balance	-32.0	-192.5	-1,385.9	-2,693.3	-4,303.8
Capital Requirement	-2,000.0	-10,000.0	-2,000.0	0.0	-14,000.0
Cash Surplus/Deficit	-2,032.0	-10,192.5	-3,260.9	-2,443.3	-17,928.8

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

Other Information
Costing Methodology Used:
- Costing Technique:
This costing is an estimate based on similar works undertaken by the ACT Government. Operational costs are based on planning works for other rehabilitation services in the ACT.
- Proposal Parameters:
<ul style="list-style-type: none"> • The construction budget is consistent with that of the Ngunnawal Bush Healing Farm. • Cost of financing has been calculated at 1.6 per cent. • Depreciation is calculated over a useful life of 40 years, with an assumed commencement date of 1 January 2023. • Repairs and maintenance expenses have been costed at zero per cent of the capital cost in the first year after construction, one per cent the year after, and two per cent ongoing thereafter. • The costing request states that project management is included as part of the overall capital cost. • The costing request states that administrative and planning costs would be absorbed by the ACT Health Directorate.
Caveats or qualifications to the costing:
<ul style="list-style-type: none"> • This proposal has not considered a potential offset from the health funding envelope. • The overall capital cost of \$14 million is assumed to include feasibility and design works. • Assuming a full take-up rate, operational costs of \$2.1 million per year would commence from 1 January 2023. Operational costs are subject to consultation with prospective service providers. • The commitment has not identified a facility site. This costing has assumed selection of an existing site within the Health portfolio. There may be additional costs depending on the final site selected.
Other Comments:
<ul style="list-style-type: none"> • This costing is part of the ACT Greens' broader commitment <i>Reducing harm from drug and alcohol use</i>. • The costing differs from that submitted due to the inclusion of operational costs and repairs and maintenance expenses, and a half-year depreciation impact in 2022-23.
- Statistical Data Used:
Treasury estimates.



David Nicol
Under Treasurer
15 October 2020