

Request for Costing an Election Commitment

Name of policy proposal:	Indigenous health centre
Person requesting costing:	Andrew Barr MLA, ACT Labor
Date of request:	16/09/2016
Summary of proposal:	ACT Labor will invest capital funding of \$12m for facilities of the Winnunga Nimmityjah Community Health Centre.
Issue the proposal will address:	The proposal will provide increased and improved facilities dedicated to Indigenous health in the ACT.

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

Note: The costing will 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.

The capital funding is capped and dollar limited.

Floor space has been calculated using \$4,838 m² -the average cost of Tuggeranong, Gungahlin and Belconnen health centres. Floor space of 2,480 m² – same as Gungahlin - has been used.

The expenses are cost of capital, based on 2.5% indexed.

Depreciation has been calculated on a straight line basis over 60 years.

Cost of finance and depreciation has been identified.

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)?

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)					
Expenses^(a)		-150	-303.8	-311.1	-764.9
Capital		-6,000	-6,000	0	-12,000
Depreciation			-200	-200	-400

(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?

N/A

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

The capital funding is capped and scope restricted to budget of \$12 million. The expenses are the cost of capital.

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 (for example, does an education proposal add to or redirect NERA funding).

N/A

Will funding/the cost require indexation?

No.
Who will administer the proposal?
The Health Directorate will meet any administration costs from internal resources.
How will the proposal be administered?
Through the Health Directorate.
Is the proposal part of a broader package?
No.
Has an allowance been made for expenses necessary to support the implementation of this proposal? <ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
No. See above regarding Health Directorate internal resources.
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?
The funding will assist in providing high quality health services.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
N/A
What is the intended implementation date of the proposal?
1 July 2017
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?
Start date 1 July 2017, cost of capital is ongoing. Depreciation is over 60 years.
Will the proposal cease, and if so, when?
N/A
Is there any additional information relevant to this proposal?
N/A