

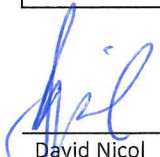
**2016 Policy Commitment – Canberra Liberals**

<b>Name of Commitment:</b>	<b>Calvary Hospital Expansion</b>	<b>Reference Number:</b> LIB029
<b>Request Submitted by:</b>	Jeremy Hanson MLA, Canberra Liberals	
<b>Date Request Received:</b>	11-Oct-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	0.0
Expenses <sup>(a) (b)</sup>	0.0	-11,840.0	-2,783.9	-2,853.5	-17,477.4
- Employee Expenses	0.0	-640.0	-2,783.9	-2,853.5	-6,277.4
- Other Expenses	0.0	-11,200.0	0.0	0.0	-11,200.0
- Cost of Financing	0.0	0.0	0.0	0.0	0.0
Expenses - Depreciation	0.0	0.0	0.0	0.0	0.0
<b>Net Operating Balance</b>	<b>0.0</b>	<b>-11,840.0</b>	<b>-2,783.9</b>	<b>-2,853.5</b>	<b>-17,477.4</b>
<b>Capital Requirement</b>	0.0	0.0	0.0	0.0	0.0
<b>Cash Surplus/Deficit</b>	0.0	-11,840.0	-2,783.9	-2,853.5	-17,477.4

(a) A negative number indicates a decrease in revenue or an increase in expenses.  
(b) Does not include depreciation expenses.

<b>Other Information</b>
<b>Costing Methodology Used:</b>
<b>- Costing Technique:</b>
Treasury has costing this commitment as a fixed dollar commitment for capital plus salary and on-costs for staffing. The scope of the expansion/upgrades would need to be managed within the identified level of funding.
<b>- Proposal Parameters:</b>
Construction of the Emergency Department and inpatient Mental Health facilities commences in 2017-18 and takes one year to complete. The midwives commence in 2017-18 (ongoing and indexed). The 12 nurses commence in 2018-19 when construction is complete. Indexation of 2.5 per cent has been applied. The costing does not include design, depreciation nor maintenance costs associated with the upgraded infrastructure as the ACT Government would not own the assets that are proposed to be expanded/upgraded. The Health Directorate is assumed to absorb the administrative expenses associated with this commitment.
<b>Caveats or qualifications to the costing:</b>
Service delivery timing and asset ownership assumptions as outlined above.
<b>Other Comments:</b>
The upgraded/expanded assets are not treated as ACT Government assets in this costing on the basis of advice that this is inconsistent with the current agreement with the Calvary Hospital. Treasury acknowledges that it would be possible to negotiate a change to the agreement with the Calvary Hospital to allow ACT Government ownership of the expanded/upgraded assets; however, this would likely push the timing of this commitment beyond that set out in the costing request.
<b>- Statistical Data Used:</b>
Standard costing parameters for nurse salaries. Agency advice on midwifery salaries.

  
David Nicol  
Under Treasurer  
13 October 2016