

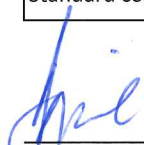
2016 Policy Commitment – Canberra Liberals

Name of Commitment:	Two Emergency Departments for Gungahlin and Tuggeranong	Reference Number: LIB050
Request Submitted by:	Jeremy Hanson MLA, Canberra Liberals	
Date Request Received:	12-Oct-16	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2016-17	2017-18	2018-19	2019-20	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a) (b)}	-100.0	-877.5	-1,674.4	-12,866.3	-15,518.2
- Employee Expenses	0.0	0.0	0.0	-8,931.6	-8,931.6
- Other Expenses	0.0	0.0	0.0	-1,868.4	-1,868.4
- Cost of Financing	-100.0	-877.5	-1,674.4	-2,066.3	-4,718.2
Expenses - Depreciation	0.0	0.0	0.0	-800.0	-800.0
Net Operating Balance	-100.0	-877.5	-1,674.4	-13,666.3	-16,318.2
Capital Requirement	-4,000.0	-31,000.0	-31,000.0	-14,000.0	-80,000.0
Cash Surplus/Deficit	-4,100.0	-31,877.5	-32,674.4	-26,866.3	-95,518.2

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

Other Information
Costing Methodology Used:
- Costing Technique:
Treasury has costed the capital component of this commitment as a fixed dollar amount of \$80 million over four years. The scope of the capital commitment would need to be managed within this level of funding. Treasury has costed the operating costs based on standard costing parameters for acute care beds.
- Proposal Parameters:
Construction is anticipated to commence in 2017-18 and take two and a half years to complete. Fitout will take place in the first half of 2019-20 and the facilities would be operational from 1 January 2020. Depreciation is calculated across 50 years, with no residual value. Repairs and maintenance costs have not been included, as they fall outside 2019-20. The cost of financing has been calculated at 2.5 per cent.
Caveats or qualifications to the costing:
The acquisition of land and site preparation costs have not been included in this costing. All costs and project scheduling are indicative only and would be fully informed by feasibility and planning work, for which funding has not been included in this costing. No recurrent savings or efficiencies which may be created through this commitment (including through the closure of replaced facilities) have been included in this costing. This costing does not include the financial impact to assets of closing existing facilities. Project management costs have not been included; it is assumed that these costs would be met from existing directorate resources. The expenses profile would be subject to the recruitment of suitably qualified staff and their respective start dates.
Other Comments:
N/A
- Statistical Data Used:
Consumer Price Index estimates are as per the 2016 Pre-Election Budget Update. Standard costing parameters for acute care beds.



David Nicol
Under Treasurer
13 October 2016