

## Request for Costing an Election Commitment

Name of policy proposal:	Design costings – SPIRE Centre at the Canberra Hospital
Person requesting costing:	Andrew Barr, ACT Labor
Date of request:	12/10/2016
Summary of proposal:	This proposal will contribute to the initial stages of the design work for the new Surgical Procedures, Interventional Radiology and Emergency (SPIRE) Centre at the Canberra Hospital.
Issue the proposal will address:	This proposal will improve access to services at the Canberra Hospital and cater for the ACT's growing population.

### 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.

This proposal will contribute to the initial stages of the design for the SPIRE centre, which will include: a new medical facility that includes a 118 bed emergency department; a new intensive care unit with 48 beds; two wards of 64 inpatient overnight beds; 20 theatres; a new day surgery; and a range of other units including specialty areas like coronary care and imaging facilities. The final allocations will be determined with clinicians and hospital management as part of the design process. The initial design work will also determine the best procurement method and refine the overall cost, which is currently estimated at \$500 million.

It is proposed that SPIRE is operational in 2022-23, with construction costs of the project sitting outside the forward estimates. Early estimates are \$110 million in 2020-21, \$190 million in 2021-22 and \$190 million in 2022-23.

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 <sup>(a)</sup>					
Expenses <sup>(a)</sup>			-75.0	-252.0	-327.0
Capital			-3,000.0	-7,000.0	-10,000.0
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?

No.

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

Capped.

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).

No.

Will funding/the cost require indexation?

Indexation is included for the cost of financing.

Who will administer the proposal?

The Health Directorate.

How will the proposal be administered?

By 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?

- If no, will the government agency be expected to absorb expenses associated with this proposal?
- If yes, please specify the key assumptions.

The funding allocated will be sufficient to fund the initial stages of the design of SPIRE.

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 community will benefit from new and expanded health facilities.

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?

1 July 2018.

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 funding for the initial stages of design will be provided in 2018-19 and 2019-20. Funding for further stages of design, construction, and operation, will be provided in future years.

Will the proposal cease, and if so, when?

This proposal is for the initial stages of the design of SPIRE, in 2018-19 and 2019-20.

Is there any additional information relevant to this proposal?

No.