

COMMUNITY HEALTH DEBT FUNDING



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WHY LOOK AT DEBT?



- Very limited Government Capital granted funding
- Considerable need for upgrade Community Health Building Assets
- Community Health Balance Sheet & Profit/Loss capacity would appear to exist in places.

THINGS TO LOOK AT



- **Asset Acquisition/Redevelopment consistent with core Community Health Business.**
- **Sound Business Case e.g**
 - Positive Investment return has with “reasonable” assumptions, including plausible scenario analyses
 - Optimise Use of Balance Sheet (equity, reserves...)
 - Debt can be serviced, allowing for plausible scenarios
 - Interest Rate risk is manageable
 - Need Approval of Health Minister and Treasurer for any long dated debt

PROCESS



- Rigorous Business Case Analysis
- Discuss with Regional Office
- Through Regional Office contact Central Office, Primary and Community Health Board, RRHACS
- Primary and Community Health Branch liaise with Planning and Resources Branch
- Planning and Resources liaise with Treasury
- Formal approval

TYPES OF DEBT



- If borrowing approved by Govt, debt is guaranteed
 - lower cost private debt
 - TCV finance is available (& generally preferred)
- Public/Private Partnership (projects over \$10M)
- Structured Securitised Debt

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