



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party **Proposal No:** C1014
Date Referred: 21/12/2022 **Date Published:** 20/03/2023
Proposal Title: Additional beds at Mt Druitt hospital
Cluster: Health

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation					-
Less: Offsets					-
Revenue					-
Net Operating Balance:	-	-	-	-	-

Capital Expenditure	-	-	-	-	-
Capital Offsets					
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	-	-	-	-
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Total State Sector Impacts

Net Lending/(Borrowing):	-	-	-	-	-
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Notes and costing assumptions:

The policy proposes to provide an additional \$35 million over the three years from 2023-24 to 2025-26, and \$60 million in total over the life of the project, towards additional beds at Mt Druitt hospital.

The PBO has consulted with NSW Health to prepare the costing and was advised that \$60 million over the life of the project would provide an additional 30 beds (costed at \$2 million per bed for metropolitan hospitals) for Mt Druitt hospital.

Key Assumptions:

- The policy assumes that funding will come from surplus WestInvest Funds, which have previously been recognised in existing State Budget estimates. Therefore, the policy will have a nil impact on forecast net lending results.
- Should the project receive funding to commence in 2023-24, the indicative capital expenditure cashflow could be as follows:

Notes and costing assumptions continued:

	2022-23	2023-24	2024-25	2025-26	2026-27 onwards	Total
\$Million (in 2022 dollars)	-	2	10	23	25	60

- NSW health uses a standard cost of \$2 million per metropolitan hospital for all redevelopment and new construction projects.
- The covers the capital expenditure of providing additional beds only. The recurrent cost associated with operating the additional beds cannot be provided until detailed planning is undertaken.
- The number of beds to be provided is based on current understanding of estimated capital cost per bed and do not consider or factor in:
 - Cost escalation or changes that cannot be foreseen over the 'total life of the project'.
 - Any changes in Australasian Health Facility Guidelines that may impact footprint and costs over the 'total life of the project'.
 - Additional costs that may relate to specific patient cohorts, for example, negative or positive pressure room requirements.
 - Clinical and non-clinical support services and facilities that may be required to support the additional beds such as, medical imaging, pathology, kitchen.