



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party **Proposal No:** C1023
Date Referred: 21/12/2022 **Date Published:** 20/03/2023
Proposal Title: Additional beds at Blacktown 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 Blacktown 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 Blacktown 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.