



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party **Proposal No:** C1041
Date Referred: 21/12/2022 **Date Published:** 20/03/2023
Proposal Title: Rouse Hill Expansion of Scope
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:

This policy proposes to provide \$170 million over the three years from 2023-24 to 2025-26, and \$400 million in total over the life of the project, sourced from the WestInvest fund, towards expanding the scope of the Rouse Hill hospital development with additional services.

Per the 2022-23 budget, \$300 million has already been allocated towards a project to deliver health services at Rouse Hill, to be completed in 2027. Of this, approximately \$39 million has been spent with \$11.7 million allocated in 2022-23. This policy proposes to expand the scope of that project.

NSW Health has advised that an additional \$170 million over three years could provide new infrastructure and services at Rouse Hill, or provide upgrades to those already in development. These may include:

- Additional emergency treatment bays
- Increased paediatric and adult short stay beds
- Sub-acute rehabilitation unit
- Close Observation Unit

Notes and costing assumptions continued:

- Day Only services
- Perioperative services
- Ambulatory and Outpatients care – women’s health, cancer care, renal dialysis
- Expansion of clinical support services
- Expansion of Education, Training, and Research spaces

While these services do not typically require beds, NSW Health has advised that approximately 100 additional beds could also be delivered at Rouse Hill hospital as part of the total funding for this project. NSW Health notes that current funding models for NSW Health Districts and Networks largely focus on number of patients treated rather than bed numbers. This reflects new models of care that integrate hospital care with care outside of the hospital setting, including the use of new technologies (such as telehealth and hospital in the home).

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.

This costing is based on estimates provided to the Parliamentary Budget Office by NSW Health, and are for capital expenses only. Should the project receive funding to commence in 2023-24, the indicative capital expenditure cashflow could be as follows:

	2022-23	2023-24	2024-25	2025-26	2026-27 onwards	Total
\$ Million (2022 dollars)	-	15	85	70	230	400

Key Assumptions:

The estimated 100 additional beds mentioned in the policy are calculated at the preliminary indicative NSW Health costing of \$2 million per bed for metropolitan hospitals, are based on the 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 if not a standard inpatient bed e.g., intensive care bed.
- Additional costs that may relate to specific patient cohorts, e.g. negative or positive pressure room requirements.
- Clinical and non-clinical support services and facilities that may be required to support the additional beds e.g., medical imaging, pathology, kitchen.
- Additional recurrent funding that will be required on completion of this project for staff and other expenses required to deliver the increased level of services to be provided under this policy.

NSW Health advised that the estimated total costs and cashflows above are all indicative and subject to further revisions as planning progresses.