



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 27/01/2023

Proposal No: C1348
Date Published: 20/03/2023

Proposal Title: Blue Mountains hospital redevelopment planning

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	-	2,500	7,500	(10,000)	-
Capital Offsets					
Net Capital Expenditure:	-	2,500	7,500	(10,000)	-

Net Lending/(Borrowing):	-	(2,500)	(7,500)	10,000	-
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(2,500)	(7,500)	10,000	-
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Notes and costing assumptions

This policy proposes spending \$25 million across three years from 1 July 2023 on planning for a redevelopment of the Blue Mountains Hospital. The policy assumes funds will come from the Hospital Growth Program (HGP) within the Restart NSW Fund.

In 2025-26 \$15 million can be sourced from unallocated reservations in the HGP. While the current profile of the HGP does not have funding available until 2025-26, the costing assumes that the funding can be reprofiled, and \$10 million brought forward to cover funding in 2023-24 and 2024-25. The total Budget impact of this policy across the 4 year forward estimates period is nil.

NSW Health advises the proposed services and number of beds to be provided in the redevelopment, and construction timelines, are not possible to determine until a detailed planning process is carried out.

Notes and costing assumptions continued:

Key Assumptions

The PBO assumes that the costs of planning will be apportioned to reflect annual increases in spending on redevelopment planning across the forward estimates, in line with standard hospital planning practice.

NSW Treasury has confirmed to the PBO that there is no budget funding for the HGP component of the Restart NSW Fund until 2025-26, when \$107 million is budgeted but not yet allocated. Based on this advice, the PBO assumes that \$15 million in 2025-26 could be made available from HGP reservations with no budget impact. This costing assumes that a further \$10 million can be made available to cover funding in 2023-24 and 2024-25 by reprofiling from available unallocated HGP reservations in 2025-26.

The PBO assumes that any funds spent on the planning process will be capitalised into the cost of the redeveloped hospital.