



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 7/03/2023

Proposal No: C1566
Date Published: 20/03/2023

Proposal Title: Aerotropolis hospital 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	-	5,000	5,000	(10,000)	-
Capital Offsets					
Net Capital Expenditure:	-	5,000	5,000	(10,000)	-

Net Lending/(Borrowing):	-	(5,000)	(5,000)	10,000	-
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(5,000)	(5,000)	10,000	-
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Notes and costing assumptions

This policy proposes spending \$20 million across four years from July 2023 on planning for a new hospital at the Western Sydney Aerotropolis. The policy assumes funds will come from the Hospital Growth Program (HGP) within the Restart NSW Fund.

The policy has spending scheduled to occur as follows:

2023-24 \$5 million

2024-25 \$5 million

2025-26 \$4 million

2026-27 \$6 million

In 2025-26 and 2026-27 \$4 million and \$10 million respectively can be sourced from unallocated reservations in the HGP, without affecting the net result.

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 forward estimates period is nil.

Notes and costing assumptions continued:

Key assumptions

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 \$4 million in 2025-26 and \$6 million in 2026-27 could be made available from HGP reservations with no budget impact. This costing assumes that a further \$10 million from 2025-26 can be made available to cover funding in 2023-24 and 2024-25 by reprofiling from available unallocated HGP reservations in 2025-26.

The proposed services provided, number of beds, and construction time-lines for the redevelopment will all depend on the outcome of the planning process.

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