

Statement of Public Interest

Legislative Council: Standing Order 143

Health Services Amendment (PPP Prohibition) Bill 2025



**Statement 1: Need: Why is the policy needed based on factual evidence and stakeholder input?**

The Health Services Amendment (PPP Prohibition) Bill 2025 (**Bill**) amends the Health Services Act 1997 to prohibit a public private partnership relating to the construction of acute hospital for the purpose of a private entity providing acute hospital services to public patients from being entered into.

Currently, it is possible for the government to contract a private provider to build an acute hospital and provide acute hospital services to public patients without the hospital being a public hospital. This means that the hospital does not have the benefit of the networked NSW Health system and is not subject to the oversight of the NSW government in the same way that public hospitals are, potentially leading to a fragmentation of care and loss of ministerial responsibility over services provided to public patients.

**Statement 2: Objectives: What is the policy's objective couched in terms of the public interest?**

The objective of the Bill is to ensure that hospitals funded by the state which provide acute hospital services to public patients are public hospitals. This would mean they fall under the control of NSW Health and the government, have the benefit of the networked NSW Health system and would be subject to the oversight of the NSW government.

**Statement 3: Options: What alternative policies and mechanisms were considered in advance of the bill?**

An alternative to the bill is for a whole of government policy being made prohibiting a public private partnership being entered into relating to the construction of an acute hospital for the purpose of a private entity providing acute hospital services to public patients.

**Statement 4: Analysis: What were the pros/cons and benefits/costs of each option considered?**

A policy prohibition against public private partnership being entered into for the construction of an acute hospital for the purpose of a private entity providing acute hospital services to public patients allows for flexibility but lacks certainty in relation to how hospital serving public patients will be managed going forward.

**Statement 5: Pathway: What are the timetable and steps for the policy's rollout and who will administer it?**

All of the provisions of the Bill will commence on assent. NSW Health will generally be responsible for administering the changes.

**Statement 6: Consultation: Were the views of affected stakeholders sought and considered in making the policy?**

The Medical Services Committee and the Australian Medical Association (NSW Branch) have been consulted in relation to the Bill.