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### 2020-21: NCOS \$510m (over 10 years)

The current capital program creates modern facilities to provide additional capacity to respond to growing demand for health services. It is also a major contributor to local economies and employment, particular in rural and regional areas. The Deloitte access economics modelling commissioned by NSW Health indicates new hospital builds contributing 1.9% of health budget growth.

It is critical that the annualisation impact of these new facilities are recognised to meet the ongoing service delivery and operational demands from the community. It will take some time to realise the efficiencies and the expected throughput from these new facilities. The additional operating costs cannot be accomodated through increased activity nor accelerated reform options in the first few years of opening.

### 2021-22: Expense budget increase \$2.6bn (over 10 years)

The Health capital program will see several new and refurbished facilities opening in the coming years, delivering additional beds, treatments spaces and operating theaters. This proposal will allow NSW Health to meet increasing operational demands which cannot be absorbed within the exiting growth envelope for the new facilities opening in 2021-22.

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NSW Health has 9 capital related projects that are planned to commission in 2021-22. These projects will deliver nearly 630 overnight and ambulatory beds; over 35 chairs for services such as chemotherapy; over 90 treatment spaces in emergency departments and over 20 operating theatres. This increase in activity cannot be accommodated within the existing funding envelope.

Health's calculations show that an additional \$128 million expense increase is required for the 2021-22 Budget and \$232 million in the forward years to accommodate for the demand and cost pressure generated by the opening of these new facilities.