



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Coalition **Proposal No:** C1267
Date Referred: 30/01/2023 **Date Published:** 20/03/2023
Proposal Title: Free car parking at Regional Hospitals
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	(1,853)	(4,109)	(4,253)	(4,402)	(14,617)
Net Operating Balance:	(1,853)	(4,109)	(4,253)	(4,402)	(14,617)

Capital Expenditure	-	-	-	-	-
Capital Offsets					
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	(1,853)	(4,109)	(4,253)	(4,402)	(14,617)
---------------------------------	----------------	----------------	----------------	----------------	-----------------

Total State Sector Impacts

Net Lending/(Borrowing):	(1,853)	(4,109)	(4,253)	(4,402)	(14,617)
---------------------------------	----------------	----------------	----------------	----------------	-----------------

Notes and costing assumptions:

This policy seeks to provide free car parking at specified regional hospitals to reduce costs for patients, their visiting carers and families, to commence on 1 May 2023.

PBO was advised to expand the costing to include free car parking for staff.

The policy is estimated to cost \$14.6 million in lost revenue over the period to 2025-26.

The regional hospitals that currently have paid parking and have been included in the costing are:

- Lismore
- Coffs Harbour
- Maitland (currently up to four hours free)
- Gosford

Notes and costing assumptions continued:

- Shoalhaven

Tweed Heads Hospital is also to be included under this policy, noting the hospital is currently being built.

The impact of this policy will be in the form of lost revenue for the government. The mix of estimated revenue that will be lost is broken down in Table 1.

Table 1. Split of parking revenue – Staff v Public

	2022-23	2023-24	2024-25	2025-26	4-year Total
Revenue Impact	\$'000	\$'000	\$'000	\$'000	\$'000
Staff parking revenue	-1,429	-1,479	-1,531	-1,585	-6,024
Public parking revenue	-424	-2,630	-2,722	-2,817	-8,593
Total Impact	-1,853	-4,109	-4,253	-4,402	-14,617

Key assumptions

- NSW Health notes two hospitals (Gosford and Shoalhaven in this list are in metropolitan local health districts (LHDs)).
- A decision regarding parking fees for Tweed Hospital has not yet been made and no revenue impact from Tweed is included in this costing.
- NSW Health notes limitations in the forward estimates of revenue forgone in providing free parking as hospitals where COVID-19 impacts have led to irregular patterns of car park usage. Newly opened hospitals have limited pre-COVID-19 revenue data on which to estimate the impacts on future revenue.
- NSW Health has based the costs on the gross consumer (non-staff) revenue of each hospital. These costs have been escalated by 3.5% as an average of pre-COVID-19 CPI and current inflation. The actual figure may vary. Parking costs have been provided by individual hospitals and have not been audited.
- NSW Health notes the following risks:
 - within the same local health districts, there will be some hospitals offering free parking and others charging for parking.
 - as a temporary measure, staff can currently park for free at hospitals. The cost of this temporary measure has been absorbed by NSW Health and any extension would require budget adjustments.