Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Aerotropolis hospital planning
Date of request:	7 March 2023

Description of policy	
Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):	Labor in government will provide $20 million over the four years from 2023-24 to 2026-27, towards planning for a new hospital at the Aerotropolis. In any estimate, please provide approximate number of new hospital beds facilitated by the end of this completed development.
Has the policy been publicly released yet?	No

Your estimated costing of the policy[1]						
	2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000	2026/27 and later years[2] $'000	Total $'000
Impact on General Government Sector (GGS) net operating result[3]						
Impact on GGS capital expenditure[4]						
If different from above, impact on total State Sector net financial liabilities[5]						

Note: Has the policy been costed by a third party?

[1] Amounts should be expressed in nominal dollars. GGS - General Government Sector.
[2] Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy or will assist in public understanding of the policy.
[3] Negative for a saving that reduces expenditure
[4] Negative for a reduction in capital expenditure.
[5] Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	
What assumptions have been made in deriving the financial impacts in your estimated costing? *(See checklist)*	
Is there a range for the costing or any sensitivity analysis that you have undertaken?	No.
Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.	Please reprofile the budgeted but unallocated $107 million in the Hospitals Growth Fund (Restart NSW) to commence in 2023-24. Then offset the cost of this policy using the reprofiled Hospitals Growth Fund.

Administration of policy	
Intended date of implementation:	1 July 2023.
Intended duration of policy:	4 years.
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Health
Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	No.
Are there transitional arrangements associated with policy implementation?	n/a

If the policy is mainly an expenditure[6] commitment	
Demand driven or a capped amount:	n/a
Eligibility criteria or thresholds:	n/a

If the policy is mainly a revenue commitment	
Transaction based or capped:	n/a
Thresholds and/or exemptions:	n/a

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[6] Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

Collection method:	n/a
Additional expenditure associated with collection:	n/a

If the policy is mainly a capital costs[7] commitment	
Nature of Capital Spending	
Type of work, size and capacity:	n/a
Proposed start and completion date of work:	n/a
Intended construction schedule/cashflow:	n/a
Associated asset sell off (if any):	n/a
Recurrent Impacts	
Offsetting expenditure savings:	n/a
On-going maintenance, depreciation and operational expenses:	n/a
Third party funding involvement:	n/a
Delivery model[8]	n/a

Checklist for key assumptions (please be comprehensive and include all relevant assumptions). Assumptions could include, but are not limited to, questions such as:

☐ What is the expected community impact?

☐ How many people will be affected by the policy?

☐ What is the likely take up or other behavioural response you expect?

☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?

☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?

☐ Will funding/program cost require indexation?

  o If yes, do you have any assumptions about the index that should be applied?

☐ What assumptions have you made about costs of administering the policy?

☐ Will additional staff be needed in the agency responsible for the policy?

  o How many and at what approximate levels?

☐ Are there other resources required?

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[7] Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in the net financial liabilities statement.

[8] There is a range of possible delivery models, e.g. built, owned and operated by a NSW government agency; built and transferred to a private operator; privately built for public operation; privately built and operated with government assuming risk or providing a guarantee in relation to future income (often applicable to public/private partnership arrangements), and so on. The policy should provide assumptions about the proposed delivery model.

☐ Are you assuming administrative costs will be absorbed within the agency?

Please note that:

- The costing will be on the basis of information provided in this costing request.

- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.

- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.

- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.