



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 25/02/2019

Proposal No: Y077
Date Published:

Proposal Title: Giving More Women Access to IVF

Cluster: Health

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	7,914	10,721	10,773	29,408
Depreciation	-	-	268	268	536
Less: Offsets	-	430	440	450	1,320
Revenue	-	-	-	-	-
Net Operating Balance:	-	(7,484)	(10,549)	(10,591)	(28,624)

Capital Expenditure	-	1,810	-	-	1,810
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	1,810	-	-	1,810

Net Lending/(Borrowing):	-	(9,294)	(10,281)	(10,323)	(29,898)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(9,294)	(10,281)	(10,323)	(29,898)
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Notes and costing assumptions

This policy proposes to provide a net total of \$40.3 million over four years from 1 July 2019, to improve the affordability of, and increase access to, in-vitro fertilisation (IVF) services across NSW. The total estimated expenditure (including capital) under this proposal is \$31.2 million over the forward estimates, with a further \$10.4 million in 2022-23.

The proposal would incur set-up and establishment costs from 1 July 2019, with the two program elements of the policy commencing on 1 January 2020. The two elements include:

- an allocation of \$21 million over four years to fund \$500 rebates for prospective mothers to help cover the cost of out-of-pocket medical costs of fertility tests to determine their suitability for IVF treatment, and
- an allocation of \$13.8 million over four years to provide subsidies for IVF treatments in fertility clinics at the Royal Prince Alfred (RPA) Hospital, Westmead Hospital and the Royal Hospital for Women.

The \$13.8 million in subsidies would be treated as a funding pool for use in expanding the clinic at the RPA, establishing a new publically supported clinic at the Royal Hospital for Women in partnership with UNSW, and to partner with the University of Sydney to expand its clinic for lower cost IVF at Westmead Hospital.

Precise allocations at each site would be subject to the outcome of a comprehensive business case process in the first half of 2019-20.

Notes and costing assumptions continued:

The PBO notes the rebate and subsidy programs will be a capped allocation, with any unspent funds returning to the Consolidated Fund at the end of the financial year, as per usual budget process.

In addition to the above costs, there are various set-up and ongoing administration costs over the delivery period associated with this policy as follows:

Table A		\$000's						
Financial Implications	Funding Type	2018-19	2019-20	2020-21	2021-22	4-Year Total	2022-23	5-Year Total
Rebates	Recurrent	-	3,000	6,000	6,000	15,000	6,000	21,000
IVF Services Funding Pool	Recurrent	-	3,336	3,411	3,496	10,243	3,584	13,827
Upgrades to Fertility and Research Centre at Royal Hospital for Women	Recurrent	-	430	440	450	1,320	-	1,320
NSW Health and Service NSW - Administration and Set-up	Recurrent	-	1,148	870	827	2,845	847	3,692
	Capital	-	1,810	-	-	1,810	-	1,810
Offsets	Recurrent	-	(430)	(440)	(450)	(1,320)	-	(1,320)
Depreciation	Recurrent	-	-	268	268	536	268	804
TOTALS	Net Operating Balance	-	(7,484)	(10,549)	(10,591)	(28,624)	(10,699)	(39,323)
	Net Lending	-	(9,294)	(10,281)	(10,323)	(29,898)	(10,431)	(40,329)

- \$1 million in one-off capital funding in 2019-20 for NSW Health to upgrade facilities at the RPA and Westmead Hospitals to accommodate the increased servicing requirements generated by the subsidies
- around \$2.1 million over four years from 1 July 2019 for NSW Health to establish a new unit to manage the subsidy and rebate programs, which includes work during the first six months of 2019-20 to develop a business case which will determine the most efficient and effective distribution of the subsidies and Health capital costs
- around \$2.4 million over four years from 1 July 2019 for Service NSW to administer the rebate scheme, including \$810,000 in one-off capital funding to update IT systems in 2019-20
- approximately \$1.3 million over three years from 1 July 2019 to expand the Fertility and Research Centre at the Royal Hospital for Women and enable the freezing of eggs and embryos as clinically indicated. These costs would be met from within the existing resources of NSW Health.

Additionally, the costing includes depreciation costs of:

- \$75,000 associated with the Health capital upgrades - straightline depreciation over 40 years has been applied
- \$729,000 associated with the ServiceNSW capital costs - using the Australian Tax Office approach to depreciation of in-house software upgrades over five years (0%/30%/30%/30%/10%).