

## Election Costing Request Form

| Details of request |                                   |
|--------------------|-----------------------------------|
| Party:             | Liberals and Nationals Government |
| Name of Policy:    | Building for Growth - Health      |
| Date of request:   | 5 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): | <p>The NSW Liberal and Nationals will invest \$1.2 billion for new and upgraded health infrastructure across the state.</p> <p>This funding is on top of the existing \$12 billion health infrastructure pipeline over the next four years.</p> |
| Has the policy been publicly released yet?  |   |

| Your estimated costing of the policy <sup>1</sup>  |                   |                   |                   |                   |  |                 |
|--|-------------------|-------------------|-------------------|-------------------|--|-----------------|
|  | 2022/23<br>\$'000 | 2023/24<br>\$'000 | 2024/25<br>\$'000 | 2025/26<br>\$'000 | 2026/27<br>and later<br>years <sup>2</sup><br>\$'000 | Total<br>\$'000 |
| Impact on General Government Sector (GGS) net operating result <sup>3</sup>                  | -                 | -                 | 100               | 2,400             | 56,400   | 96,100          |
| Impact on GGS capital expenditure <sup>4</sup>   | -                 | 40,500            | 121,300           | 173,00            | 624,400  | 959,200         |
| If different from above, impact on total State Sector net financial liabilities <sup>5</sup> |                   |                   |                   |                   |  |                 |

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> 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.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party? ETC's for each project have been provided by the Ministry of Health

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

| <b>Key assumptions made in the policy</b>  |  |
|--|--|
| Does the policy relate to a previous announcement? If yes, which announcement?   | This policy builds upon the existing health infrastructure pipeline  |
| What assumptions have been made in deriving the financial impacts in your estimated costing?   | Total figures represented in the cost table are to 2031-32.<br><br>Operational and maintenance costs will be met from within the existing budgeted growth rate for Health – noting that this is largely outside of the forward estimates given construction timelines.<br><br>Depreciation will be funded on top of the existing Health growth rate. |
| Is there a range for the costing or any sensitivity analysis that you have undertaken?   | Not applicable   |
| Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses?<br>If yes, please provide details.               | Not applicable   |
| Are there significant costs or savings <b>outside</b> the forward estimates period which should be considered in costing this policy? <sup>6</sup> | Not applicable   |

| <b>Administration of policy</b>  |                    |
|--|--------------------|
| Intended date of implementation:   | 1 July 2023        |
| Intended duration of policy:   | Seven years        |
| Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?  | Ministry of 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)? | Not applicable     |
| Are there transitional arrangements associated with policy implementation?   | Not applicable     |

---

<sup>6</sup> Particularly important for large projects with long lead times, policies with a delayed timetable for implementation, or policies where up-front investment is required to achieve long term savings.

| <b>If the policy is mainly an expenditure<sup>7</sup> commitment</b> |                |
|--|----------------|
| Demand driven or a capped amount:                                    | Capped         |
| Eligibility criteria or thresholds:                                  | Not applicable |

| <b>If the policy is mainly a revenue commitment</b> |                |
|---|----------------|
| Transaction based or capped:                        | Not applicable |
| Thresholds and/or exemptions:                       | Not applicable |
| Collection method:                                  | Not applicable |
| Additional expenditure associated with collection:  | Not applicable |

| <b>If the policy is mainly a capital costs<sup>8</sup> commitment</b> |   |
|---|---|
| <b>Nature of Capital Spending</b>                                     |   |
| Type of work, size and capacity:                                      | Build is a mix between minor upgrades and major capital works |
| Proposed start and completion date of work:                           | Capital works will commence from 1 July for seven years       |
| Intended construction schedule/cashflow:                              | Refer to cost estimates                                       |
| Associated asset sell off (if any):                                   | Not applicable  |
| <b>Recurrent Impacts</b>  |   |
| Offsetting expenditure savings:                                       | Not applicable  |
| On-going maintenance, depreciation and operational expenses:          | Refer to assumptions  |
| Third party funding involvement:                                      | Not applicable  |
| Delivery model <sup>9</sup>   | Not applicable  |

<sup>7</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

<sup>8</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance.

<sup>9</sup> 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.