



MEDIA RESPONSE

INFRASTRUCTURE PARTNERSHIPS AUSTRALIA RESPONDS TO NSW GOVERNMENT LEGISLATION TO BAN PUBLIC-PRIVATE PARTNERSHIPS FOR HOSPITALS

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Yesterday the NSW Government announced its intention to introduce legislation to ban Public-Private Partnerships (PPPs) for hospitals running emergency, surgical and inpatient services.

The events that led to this announcement and the death of Joe Massa are unbelievably tragic. I cannot begin to imagine the pain and suffering the Massa family have been through.

Clearly there will be enormous lessons to learn, and questions must be answered as to how this tragic event could occur. Separate police and parliamentary inquiries are the right avenues to learn those lessons. Ensuring the quality and safety of health services in a hospital is crucial in providing high quality patient care, and the effective provision of services will be examined in detail through the parliamentary inquiry.

As with any piece of economic or social infrastructure, it is perfectly reasonable for a government to make policy decisions about how hospitals are built, how services are delivered and by whom. Those decisions can and must be made through a lens of what is best for patients and best for project.

Governments are singularly responsible for those decisions at every point of procurement, they choose how a hospital is built and delivered. Legislating to exclude one of the options of build or delivery is therefore unnecessary and removes a tool from the broad toolkit of choices to deliver a substantial hospital build-out.

Irrespective of which model is chosen, the private sector will always be critical in the way the project is delivered – particularly when it comes to building and maintaining hospitals. The government doesn't employ builders, so the private sector will necessarily and rightly be engaged with every hospital in the future as it has been in the past.

The Federal Government's 2023 Intergenerational Report reminds us of the acute healthcare challenges our nation may face.

The number of Australians aged 65 and over will more than double over the next 40 years, and the number aged 85 and over will more than triple. Meanwhile, the number of centenarians is expected to increase six-fold.

As Australia's population continues to age – the answer will need to be more, not less, quality health infrastructure. Australia is currently undergoing a hospital construction boom. Across Australia, there are 30 major hospital projects under construction, two of these – the Frankston Hospital Redevelopment and the New Footscray Hospital





– are being delivered as PPPs. While there are another 32 projects – including the New Melton Hospital PPP – in the pipeline awaiting construction.

This pipeline of health infrastructure is only set to grow alongside the scale and complexity of the community's health needs.

It is also worth remembering that world class healthcare services are delivered every day in hospitals under Public-Private Partnerships – including award winning facilities like the Sunshine Coast University Hospital, the Victorian Comprehensive Cancer Centre and the Royal North Shore Hospital here in Sydney.

The success of these examples is proof that with the right parameters these models can be highly effective in delivering world-class hospitals.

The circumstances that have invoked this discussion are heartbreaking and tragic. Action must be taken to ensure the unimaginable loss the Massa family have suffered is never repeated. However, enshrining in law a limit to procurement options for health infrastructure is unnecessary and may ultimately do the opposite of what it seeks to achieve. With the interest of patients front and centre, governments now and into the future must have all the options available when deciding how to deliver hospitals and the services they underpin.

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