



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 11/03/2019

Proposal No: B411
Date Published: 18/03/2019

Proposal Title: 250 Additional Hospital Security Staff

Cluster: Justice

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	122	5,056	15,240	20,418
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	(122)	(5,056)	(15,240)	(20,418)

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

Net Lending/(Borrowing):	-	(122)	(5,056)	(15,240)	(20,418)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(122)	(5,056)	(15,240)	(20,418)
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Notes and costing assumptions

The policy proposes to recruit a total of 250 additional hospital security staff with special constable powers. These staff would have special constable powers, but not be equipped with firearms. The policy specifies that 50 full time equivalent (FTE) security officers would be employed from 1 July 2020, an additional 100 FTE security officers recruited from 1 July 2021, and the remaining 100 FTE security officers employed from 1 July 2022.

The policy is estimated to cost \$20.4 million over the forward estimates, with an ongoing cost of \$25.8 million per year from 2022-23, escalating by 2.5% based on the NSW Public Sector Wages Policy. This costing is based on information provided by NSW Health.

Security staff cost assumptions:

- The average cost of a full time equivalent (FTE) security officer is estimated to be \$94,500 in 2019-20 dollars, including on costs. NSW Health have advised this is based on a Health and Security Assistant's salary.
- Standard on-costs such as superannuation, workers compensation, penalties and allowances, mandatory training, and additional equipment to carry out special constable powers are included in the salary cost.
- In order to manage recruitment and training of the additional security staff, a temporary project officer would be required for four years. The estimated total cost over the forward estimates would be \$121,500 in 2019-20 dollars, based on a Grade 7/8 salary.

Notes and costing assumptions continued:

Training cost assumptions:

- The mandatory training on cost is in line with NSW Health policy and includes Violence Prevention and Management training.
- New security staff recruited under this policy would be expected to undertake mandatory training.
- The mandatory training courses include a specialised course in security in the Health environment, a program on the duties and responsibilities of holding special constable powers and completion of a Certificate II in Security Operations, also provided by TAFE NSW. The total cost of mandatory training for security staff is around \$568,000 over the forward estimates, including escalation by Sydney CPI.

Escalation assumptions:

- Annual escalation of 2.5% has been applied to staff related costs based on NSW Public Sector Wages Policy 2011.
- The training costs over the forward estimates are indexed according to the Sydney CPI forecasts/projections in the NSW Treasury Pre-Election Budget Update: 2% in 2019-20, 2.25% in 2020-21 and 2.5% in 2021-22.

Key implementation risks:

- The PBO notes a change in legislation would be required to give Health security staff special constable powers.
- Policy implementation may be delayed due to the intensive and potentially expensive training requirements for each security officer recruited under the policy.
- Capital costs would be incurred to reconfigure a small area within each hospital to accommodate the additional security staff. This cost has been excluded from the costing as the extent of capital works required for each hospital requires further investigation. Such investigation would include the possibility of using existing areas.