



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 15/02/2019

Proposal No: Y046
Date Published: 18/03/2019

Proposal Title: Regional Workforce Boost

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)	-	4,746	6,087	8,130	18,962
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	(4,746)	(6,087)	(8,130)	(18,962)

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

Net Lending/(Borrowing):	-	(4,746)	(6,087)	(8,130)	(18,962)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(4,746)	(6,087)	(8,130)	(18,962)
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Notes and costing assumptions

This policy proposes to allocate funding toward recruiting more doctors, allied health workers and psychologists to work in regional NSW, as well as supporting cadetships in regional areas for nurses, midwives and allied health workers. This allocation is in addition to existing health growth funding.

The PBO estimates this policy to cost \$19 million over the forward estimates, and a further \$10.9 million in 2022-23.

The policy also proposes to employ an additional 383 regionally-based full-time equivalents (FTEs) nurses and six regional school nurse FTEs over four years. However, the funding for these extra nurses is excluded from this costing, as it will be delivered under a separate *5,000 Nurses and Midwives* policy.

Regional placements (Table A1)

This policy component would fund three month regional placements and training for the following staff:

- 30 nurses and/or midwives per year
- 20 senior nurses per year, and
- Ten senior clinical nurses or midwives per year.

Notes and costing assumptions continued:

Based on advice from NSW Treasury, the PBO has assumed that each placement costs \$30,000 for a nurse or midwife, and \$35,000 for a senior nurse, senior midwife or senior clinical nurse. The PBO has assumed that these nurses and midwives are already employed by NSW Health, and so salary and on-costs have not been included in this costing.

The PBO estimates the cost of the placement to be \$6 million over the forward estimates, with a further \$2.1 million in 2022-23. Costs include not only salaries, but training and other costs, and so have been escalated in line with the Consumer Price Index (2.25% in 2019-20, 2.5% in 2020-21 and 2021-22).

Doctor-in-training cadetships (Table A2)

This policy component would provide funding for a regional cadetship program for ten doctors-in-training at \$50,000 per cadet (2019-20 dollars). The PBO estimates the cost of the placement to be \$1.5 million over the forward estimates, with a further \$538,000 in 2022-23. Costs were escalated in line with the Consumer Price Index (CPI).

Recruiting additional health workers (Table A3)

This policy component would provide funding to recruit in regional areas:

- 15 staff specialist doctors, with 10% of the target recruited in 2019-20, and 30% per year in subsequent years
- Six psychologists per year.

Based on advice from NSW Treasury, the PBO has made the following assumptions about costs for these workers (all 2019-20 dollars):

- Each staff specialist costs \$400,000 per full-time equivalent (FTE) position
- Psychologists will cost \$166,667 per FTE position. The cost of each psychologist is based on the salary of a Senior Clinical Psychologist, with 25% for on-costs and additional costs for travel and relocation incentives.

All salaries have been indexed by 2.5% according to the NSW public sector wages policy.

This policy component would also provide funding for a regional cadetship program for ten allied health worker cadets at \$50,000 per cadet (2019-20 dollars). These costs have been escalated based on the CPI.

The estimated total cost of recruiting these positions would be \$10.8 million across the forward estimates, with a further \$8.1 million in 2022-23.

Additional expenses

The costing also includes \$604,000 over the forward estimates (and \$211,000 in 2022-23) for vehicle expenses (including fuel and maintenance) and other expenses covering training, support and equipment. The PBO has escalated these costs in line with the CPI.

Appendix

Table A1 - Cost of nurse/midwife placements

Placement type	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 yr total \$'000	2022-23 \$'000
30 x nurse/midwives	-	900	923	946	2,768	969
20 x senior nurses	-	700	718	735	2,153	754
10 x senior clinical nurses/midwives	-	350	359	368	1,076	377
Total	-	1,950	1,999	2,049	5,997	2,100

Table A2 - Cost of doctor cadetships

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 yr total \$'000	2022-23 \$'000
10 x doctor-in-training cadetships	-	500	513	525	1,538	538

Table A3 - Cost of additional health workers

Health worker	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 yr total \$'000	2022-23 \$'000
15 x staff specialists	-	600	1,845	3,782	6,227	6,461
10 x allied health worker cadets	-	500	513	525	1,538	538
6 x psychologists	-	1,000	1,025	1,051	3,076	1,077
Total		2,100	3,383	5,358	10,841	8,077