



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party

Proposal No: A315

Date Referred: 31/01/2019

Date Published: 18/03/2019

Proposal Title: Nurse Walk-in Centres

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)	-	618	326	9,455	10,400
Depreciation	-	-	-	150	150
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	(618)	(326)	(9,605)	(10,550)

Capital Expenditure	-	3,305	9,000	1,800	14,105
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	3,305	9,000	1,800	14,105

Net Lending/(Borrowing):	-	(3,923)	(9,326)	(11,255)	(24,505)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(3,923)	(9,326)	(11,255)	(24,505)
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Notes and costing assumptions

This policy proposes to establish six nurse walk-in-centres in Gosford, Kiama, Camden, Glenmore Park, Charing Cross-Waverley and Burwood. The policy would begin on 1 July 2019, with construction completed and walk-in centre operations starting prior to the end of the forward estimates period.

The PBO estimates this policy to cost \$24.5 million over the forward estimates, and approximately \$19 million in ongoing recurrent costs per year from 2022-23.

Centre construction assumptions

The policy states that, where possible, each nurse-led walk-in centre should be established in or adjoining a Community Health Centre (CHC). The Ministry of Health has advised that the existing CHCs lack the necessary space to co-locate a nurse walk-in centre. Therefore, land will need to be sourced to build the centres.

The Ministry has assumed that the size of walk-in centre facilities will be 164m², and have a similar asset profile to a CHC. Using available land value information from the NSW Valuer-General, the PBO estimates the cost of purchasing new land for all six walk-in centres to be \$2.1 million.

The Ministry has estimated the construction cost to be \$2 million for each centre, totalling \$12 million. Depreciation applies on a straight line basis over 40 years.

Notes and costing assumptions continued:

For both land and construction costs, the PBO notes that there is significant variation in prices between NSW regions, and accordingly these costs may vary between sites depending on each region's available land and local market conditions.

Operating assumptions

The policy assumes that nurse walk-in centres will be open from 7am to 11pm, seven days a week, starting from January 2022.

Centres will provide acute and episodic care, and treat patients with minor ailments and injuries. People with serious, complex and ongoing conditions will not be treated at walk-in centres and will be redirected to the most appropriate medical practitioner. Motor vehicle and workplace injuries will not be seen or assessed by walk-in centre nurses.

The Ministry has advised that service design and configuration would need to be subject to clinical consultation and development of an evidence based model of care led by the Agency for Clinical Innovation and Clinical Excellence Commission. Costs to develop and evaluate the model are estimated at \$300,000.

Operating costs

All staff costs outlined below are in 2018-19 dollars and include on-costs. These costs are increased by 2.5% each year over the forward estimates in line with NSW public sector wages policy.

The Ministry has assumed staffing requirements for each nurse walk-in centre to be as follows:

- 9 x Nurse Practitioners (Level 4): \$216,000 per full-time equivalent position (FTE)
- 3 x Administrative Officers (Level 4): \$105,000 per FTE
- 1 x Health Manager (Level 1): \$161,000 per FTE
- 1 x Security Guard (outside of standard business hours): \$90,000 per year.

These staff will start once the nurse walk-in centres open from 1 January 2022.

The Ministry has also advised that it will need an additional Administrative Officer Level 9/10 FTE (\$163,344) and Administrative Officer Level 7/8 (\$147,229) to run the initiative. These staff are assumed to start from 1 July 2019.

Additional recurrent costs include pharmaceuticals, consumables and other supplies, and provision of information and communications technology. The Ministry assumes these costs to be \$276,020 per centre in 2019-20 dollars (\$1.7 million for all six centres), escalated by 2% each year over the forward estimates.