

Election Costing Request Form

| Details of request | |
|--------------------|---|
| Party: | ALP |
| Name of Policy: | 500 Rural and Regional Paramedics Package |
| Date of request: | 25 January 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>Labor will provide \$150 million over four years towards hiring 500 paramedics (who will be intensive care/extended care paramedics), along with equipment/ambulances to support the additional staff. These paramedics will be hired and rolled out in a staged approach starting in rural and regional areas and implemented via agreement in the award.</p> <p>Labor in government will also support the outcomes of the taskforce established to look at professional recognition for paramedics with appropriate remuneration and expanding the capacity, skills and role of NSW paramedics. Any implementation will be done via Labor's productivity based bargaining policy.</p> |
| Has the policy been publicly released yet? | Yes. |

| Your estimated costing of the policy ¹ | | | | | | |
|--|-------------------|--|--|--|---|---|
| | 2022/23 \$'000 | 2023/24 \$'000 | 2024/25 \$'000 | 2025/26 \$'000 | 2026/27 and later years ² \$'000 | Total \$'000 |
| Impact on General Government Sector (GGS) net operating result ³ | | \$14,800 m (towards 125 paramedics) | \$30,000 (towards 250 paramedics) | \$45,000 (towards 375 paramedics) | \$60,300 (towards 500 paramedics) | \$150,200 (with \$89,900 being within the forwards) |
| Impact on GGS capital expenditure ⁴ | | | | | | |
| If different from above, impact on total State Sector net financial liabilities ⁵ | | | | | | |

Note: Has the policy been costed by a third party?
If yes, can you provide a copy of this costing and its assumptions?

| Key assumptions made in the policy | |
|--|---|
| Does the policy relate to a previous announcement? If yes, which announcement? | |
| What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i> | <p>On average, these would be Paramedics (Year 2), though in general they would be coming into the profession as graduates, interstate hires, hires from other parallel sectors and also include retained paramedics who otherwise would have left the health system.</p> <p>The cost per paramedics is taken as per the 2021-22 FY award: https://www.health.nsw.gov.au/careers/conditions/Awards/ambos-operational.pdf</p> <p>Wage rises as per the government's current policy of 3% for 23-24, and then 2.5% onwards. This has been used as the escalator for costs given the large majority of the \$150 million commitment will be wages.</p> |

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

² 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.

³ Negative for a saving that reduces expenditure

⁴ Negative for a reduction in capital expenditure.

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

| | |
|--|--|
| | <p>Any existing vacant paramedics positions will be filled first with this policy.</p> <p>We expect that by hiring and retaining this staff will reduce overtime payments from higher need areas and reduce attrition.</p> <p>The cost of these paramedics should be offset by an annual saving found by reducing recurrent administrative expenses by 2.5% within NSW public hospital services. The AIHW Hospital Resources 2020–21: Australian hospital statistics suggests that NSW’s recurrent non-salary administrative expenses on public hospital services is \$1.7 billion.</p> <p>For the avoidance of any doubt, only administrative tasks that do not impact the delivery of frontline health services would be impacted.</p> <p>Finally, do not include any Strategic Business case contingency of any size for unforeseen emerging costs.</p> |
| <p>Is there a range for the costing or any sensitivity analysis that you have undertaken?</p> | |
| <p>Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.</p> | |

| <p style="text-align: center;">Administration of policy</p> | |
|---|--------------------|
| <p>Intended date of implementation:</p> | <p>1 July 2023</p> |
| <p>Intended duration of policy:</p> | <p>Four years</p> |
| <p>Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?</p> | <p>NSW Health</p> |
| <p>Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?</p> | |
| <p>Are there transitional arrangements associated with policy implementation?</p> | |

| If the policy is mainly an expenditure⁶ commitment | |
|--|--------|
| Demand driven or a capped amount: | Capped |
| Eligibility criteria or thresholds: | n/a |

| If the policy is mainly a revenue commitment | |
|---|-----|
| Transaction based or capped: | n/a |
| Thresholds and/or exemptions: | n/a |
| Collection method: | n/a |
| Additional expenditure associated with collection: | n/a |

| If the policy is mainly a capital costs⁷ commitment | |
|---|-----|
| Nature of Capital Spending | |
| Type of work, size and capacity: | n/a |
| Proposed start and completion date of work: | n/a |
| Intended construction schedule/cashflow: | n/a |
| Associated asset sell off (if any): | n/a |
| Recurrent Impacts | |
| Offsetting expenditure savings: | n/a |
| On-going maintenance, depreciation and operational expenses: | n/a |
| Third party funding involvement: | n/a |
| Delivery model ⁸ | n/a |

Checklist for key assumptions (please be comprehensive and include all relevant assumptions). Assumptions could include, but are not limited to, questions such as:

⁶ Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

⁷ Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in the net financial liabilities statement.

⁸ 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.

- What is the expected community impact?
- How many people will be affected by the policy?
- What is the likely take up or other behavioural response you expect?
- Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- Will funding/program cost require indexation?
 - If yes, do you have any assumptions about the index that should be applied?
- What assumptions have you made about costs of administering the policy?
- Will additional staff be needed in the agency responsible for the policy?
 - How many and at what approximate levels?
- Are there other resources required?
- Are you assuming administrative costs will be absorbed within the agency?

Please note that:

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

Glossary

The Election Costing Request Form uses various terms and expression which have specific meanings. Attached is a glossary of the terms. The wording has been taken from the Glossary in the *Budget Statement 2018-19 - Budget Paper 1*.

Capital expenditure – This is expenditure relating to the acquisition or enhancement of property, plant and equipment (including land and buildings, plant and equipment and infrastructure systems) and intangibles (including computer software and easements). Capital expenditure also includes assets acquired using finance leases.

General government sector (GGS) – This is an ABS classification of agencies that provide public services (such as health, education and police), or perform a regulatory function. General government agencies are funded in the main by taxation (directly or indirectly).

Net financial liabilities (NFL) – This is the total liabilities less financial assets, other than equity in PNFCs and PFCs. It is a more accurate indicator than net debt of a jurisdiction's fiscal position. This is because it is a broader measure than net debt in that it includes significant liabilities other than borrowings (for example, accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth. For the general government sector NFL, excluding the net worth of other sectors results in a purer measure than net financial worth as, in general, the net worth of other sectors of government is backed up by physical assets.

Net lending/(borrowing) – This is the financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position and a negative result reflects a net borrowing position.

Net operating balance (budget result) – This is calculated as revenue from transactions less expenses from transactions.

Nominal dollars/prices – This shows the dollars of the relevant period. No adjustment is made each time period for inflation.

Total state sector (TSS) – This represents all agencies and corporations owned and controlled by the NSW Government. It comprises the general government, public non-financial corporations and public financial corporations.