



Kristina Keneally MP

Friday, 11th March 2011

Mr Tony Harris
Acting Parliamentary Budget Officer
NSW Parliament
Macquarie Street
SYDNEY NSW 2000

11/3
3-20pm

Dear Mr Harris

I am writing to you to formally request, under Part 4 (Election policy costings) of the Parliamentary Budget Officer Act 2010, an official costing for the following announced policies:

- *Iconic Central Coast Walking Track*
- *Iconic Walking Path for Illawarra Families*
- *Climate Change: A Liveable Western Sydney – One Million Trees*
- *Sydney East Drug Court*
- *Boost for Children and Adults with Hearing Loss*
- *New Youth Centre in Arncliffe Park*
- *Historic Parramatta School to Become Western Sydney Arts Precinct*

This policy document includes commitments under Section 18(2) of the Act, specifically:

- *Iconic Central Coast Walking Track*
- *Iconic Walking Path for Illawarra Families*
- *Climate Change: A Liveable Western Sydney – One Million Trees*
- *Sydney East Drug Court*
- *Boost for Children and Adults with Hearing Loss*
- *New Youth Centre in Arncliffe Park*
- *Historic Parramatta School to Become Western Sydney Arts Precinct*

Please find attached a copy of this policy outlining the purpose of the policy and relevant details required to complete the costing as per the requirements of the Act.

A copy of the NSW Treasury costing and budget impact statement for the policy has also been included for your reference.

Should you require any further information on this request, please contact my office on (02) 9228-5239.

Yours sincerely

Kristina Keneally
Premier of NSW
Leader of NSW Labor Party



\$3.2 MILLION BOOST FOR CHILDREN AND ADULTS WITH HEARING LOSS

Friday 4 March 2011

A re-elected Keneally Labor Government will invest \$3.2 million for cochlear implants and early intervention services to give children with hearing impairments the best start in life.

The new funding will give the gift of hearing to 40 children and up to 25 adults, and provide therapy that will help dozens of deaf children to learn to speak, read and write.

The \$3.2 million investment will deliver:

- 53 new cochlear implant units for children. These units, along with 27 existing implants, mean 40 extra children will receive bilateral implants;
- 25 cochlear implants for adults; and
- Additional funding of \$329,400 for the *Royal Institute for Deaf and Blind Children* and \$200,000 for *The Shepherd Centre* for early intervention services for deaf children.

NSW Premier Kristina Keneally was joined at The Children's Hospital at Westmead by the Parliamentary Secretary for Health Dr Andrew McDonald and Member for Toongabbie Nathan Rees to announce the funding.

"Many of us take hearing for granted, but for a young child with hearing difficulties this is a precious gift that leads to an improved quality of life," Ms Keneally said.

"Improved hearing means a child can better interact with other children and adults, and participate more effectively at school and in extra-curricular activities.

"A cochlear implant also radically changes the life of adults with a hearing impairment, helping them perform everyday tasks they once couldn't and drastically improving their employment prospects."

Dr McDonald said the extra cochlear implants complemented the comprehensive early intervention and screening services established by the NSW Labor Government.

"Around 95,000 babies are now screened annually through the Statewide Infant Screening Hearing Program, with approximately 1 in 1000 diagnosed with significant hearing loss in both ears," he said.

"Early intervention therapy for children growing up with a sensory impairment, including those with hearing difficulties, also helps ensure they get the best possible start to life.

"This includes helping children learn to speak, read and write – the building blocks of a good education."

The new funding will deliver 40 additional early childhood intervention therapy places for children through the Royal Institute for Deaf and Blind Children (RIDBC) and 25 additional places through The Shepherd Centre.

Ms Keneally said the funding package would build on the recent announcement of an extra \$2 billion for *Stronger Together*, the NSW Government's 10-year initiative to expand disability services.

"Families in Western Sydney will now have access to the best possible therapy and early intervention services for children with hearing impairment," Ms Keneally said.

"Western Sydney alone will benefit from more than \$170 million for disability services over the next five years under *Stronger Together*, creating an extra 5522 disability services places."

Mr Rees said: "This additional funding for adults and children with a hearing impairment is another demonstration of Labor's commitment to supporting the most vulnerable members of our community.

"Labor has a strong track record in health and disability services – we have delivered record funding and a re-elected Labor Government will deliver \$30 million in initiatives to ease cost of living pressures for people with a disability."

From July 1, families with children under six who have a sensory disability will also have access to funding of up to \$12,000 for early intervention services under the Commonwealth Government's *A Better Start for Children with a Disability* program.

Background Notes:

- Around one in 1000 children is born deaf in Australia every year and another one in a thousand becomes deaf by the age of seven.
- A cochlear implant is a medical device designed to bypass damaged parts of the inner ear and send electrical stimulation directly to the auditory nerve, where it is then interpreted as sound by the brain.
- Bilateral cochlear implants is the use of one implant in each cochlear, which is considered more effective.
- Access to the Cochlear implant in NSW is amongst the highest per capita in the world.
- The NSW Government has provided 1100 cochlear implants for children and adults in its 25 year association with the Sydney Cochlear Implant Centre.
- In NSW, cochlear implants are carried out for children at The Children's Hospital at Westmead and Sydney Children's Hospital and for adults at Royal Prince Alfred Hospital and John Hunter Hospital.
- The NSW Government provides annual funding of over \$4 million for 116 cochlear implants - 57 for children and 59 for adults.
- The **Royal Institute for Deaf and Blind Children** provides high quality educational services to children with significant hearing or vision impairment, including children with additional disabilities.
- **The Shepherd Centre** is an early intervention service that uses auditory-oral therapy to teach children with mild, profound or total hearing loss. It is currently helping 220 families with early intervention support services.

Title/Subject:	Cochlear implants for children
Pink/Physical ID:	EA1639565
Proposal by:	Government
Agency:	Department of Health
Cluster:	Health
Detailed description:	\$2.725 million, including:
FIS No: 90	• \$1.85 million (once only) for 53 additional cochlear implants for children on existing waiting lists.
Classification: GGB	• \$0.875 million (once only) for 25 adult implants to reduce wait time for implants to 12 months

General Government Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Expenses (incl. depreciation)	0	2,725	0	0	0	0
Less Agency Offsets (1)	0	0	0	0	0	0
Less Agency Revenue						
Less Crown Provisions						
Budget Result Impact	0	-2,725	0	0	0	0

						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0

Depreciation						
Net Lending (2)	0	-2,725	0	0	0	0

Public Trading Enterprises Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Revenues						
Expenses						
Operating Result	0	0	0	0	0	0

						Residual
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0

Depreciation						
Net Lending (2)	0	0	0	0	0	0

Accumulated Net Financial Liabilities as at 30 June (3)

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
General Government Sector	0	2,725	2,725	2,725	2,725
Total State Sector	0	2,725	2,725	2,725	2,725

(1) Includes items such as available funding within existing estimates, expenditure offsets, recurrent savings associated with capital projects, linked assets sales.

(2) Equal to Budget Result or Operating Result Impact plus Net Capital Cost.

(3) Equals cumulative Net Lending Impact. Total State Sector equals sum of General Government and PTE (and PFE) sectors.

Key costing assumptions

NSW Health confirmed that the average cost of cochlear implant is \$35,000, irrespective of whether it is child or adult. Therefore the total cost of 78 implants is approximately \$2,730 million, which is consistent with the estimated cost made.

The cost of this proposal is not in the forward estimates for the Half Yearly Review 2010-11 and will impact on Health's Net Cost Of Services (NCOS) limit.


Key data**Caveats or qualifications****Implementation issues (including how Treasury can assist in speedy implementation and any potential difficulties and how these might be overcome)**

The program is to be delivered as a statewide service.

NSW Health confirmed that the increased number of implants is within the hospital's capacity to deliver in one year as costed.

Other comments (including explanation where Treasury costing differs from agency or PBO estimates)

This proposal will increase NSW Health's NCOS limits.

Position	Name and extension	Signature	Date
Analyst(s)	Roujane Mousallem		
in consultation with			
Director	Rick Sondalini		17/2
Deputy Secretary	Caralee McLiesh		17/2