

Request for Costing an Election Commitment

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| Name of policy proposal: | 52 New Nurses at the Canberra Hospital (20 August 2016) |
| Person requesting costing: | Alistair Coe MLA, Shadow Treasurer Canberra Liberals |
| Date of request: | 29 September 2016 |
| Summary of proposal: | The Canberra Liberals will employ an additional 52 nurses at the Canberra Hospital. |
| Issue the proposal will address: | To address staff shortages at the Canberra Hospital. |

What are the key assumptions that have been made in the proposal?

Note: The costing will developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

- The costs have been calculated on the basis that the 52 new nurses will be phased in over three years. That is 16 positions will be funded in 2017-18, an additional 16 (total of 32) in 2018-19 and 20 (total of 52) in 2019-20.
- The salary costs, including on-costs and leave provisions have been calculated using RN1 and EN1 classifications on the assumption that nurses on a lower pay grade will be hired.
- The split between RN1 and EN1 nurses each year is on a 50/50 basis.
- Costs have been indexed at 2.5% over the forwards as per Treasury advice.
- An overtime provision has been included and calculated at 10% of base salary. Given the nurses are relatively junior, it is unlikely that they will be working significant amounts of unsupervised overtime.

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | Total |
|-------------------------------|---------|---------|---------|---------|---------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue^(a) | | | | | |
| Expenses^(a) | 0 | -1,725 | -3,540 | -5,890 | -11,155 |
| Capital | | | | | |
| Depreciation | | | | | |

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?

No.

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Capped.

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any

existing Commonwealth/State or Territory funding arrangements (for example, does an education proposal add to or redirect NERA funding).

No.

Will funding/the cost require indexation?

Yes. Costs have been indexed at 2.5% as per Treasury advice.

Who will administer the proposal?

The Health Directorate.

How will the proposal be administered?

The Health Directorate will administer this proposal in line with current recruiting processes for nurses.

Is the proposal part of a broader package?

Yes. This policy was announced as part of a broader health announcement.

Has an allowance been made for expenses necessary to support the implementation of this proposal?

- If no, will the government agency be expected to absorb expenses associated with this proposal?
- If yes, please specify the key assumptions.

No. The recruitment of nurses is a core business function of the Health Directorate which it is funded for through an appropriation. Implementation will be met from within existing resources.

Will the proposal generate savings or offsets?

No.

Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?

No.

What are the community impacts associated with the proposal? Who and how many people will be affected?

Positive. Additional resources at the Canberra Hospital will lead to better outcomes for patients.

Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?

No.

What is the intended implementation date of the proposal?

The first 16 nurses are funded from 1 July 2017

When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc?

All 52 nurses will not be funded until 2019-20.

Will the proposal cease, and if so, when?

Funding for the positions are ongoing.

Is there any additional information relevant to this proposal?

No.