



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party

Proposal No: C1591

Date Referred: 09/03/2023

Date Published: 20/03/2023

Proposal Title: Breast Cancer Nurses

Cluster: Health

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	-	-	-

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

Net Lending/(Borrowing):	-	-	-	-	-
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Total State Sector Impacts

Net Lending/(Borrowing):	-	-	-	-	-
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Notes and costing assumptions:

This policy proposes to provide 29 new NSW-Government funded breast cancer nurses and continue funding for 16 existing NSW-Government funded nurses at the McGrath Foundation at a cost of \$19.5m over the three years of the Budget forward estimates. The policy responds to the Foundation's estimates of resources required to ensure that every person experiencing breast cancer in NSW can receive free care and support from a breast cancer nurse.

The total estimated cost of this policy is \$13.2m over 3 years.

NSW Health has advised it is not possible to fund the total of 45 nurses (16 current nurses and an additional 29) with the proposed funding envelope (\$19.5m). However, funding under this policy for this number of nurses over each forward year is not required because:

Notes and costing assumptions continued:

- 8 nurses currently funded by NSW Health have funding already allocated in the Budget for 2023-24 and 2024-25 and only need funding for 2025-26.
- 8 nurses formerly funded by NSW Health are now fully funded by community donations.

Accordingly, the PBO has costed this policy on the basis of 29 new nurses over the three forward estimate years and 8 existing nurses in the final year of the forwards. This cost is \$13.2 million, as outlined in **Table 1** below:

Table 1:

	headcount	2023-24	2024-25	2025-26	Total
New funding	29	\$ 3,930,884	\$ 4,029,156	\$ 4,129,885	\$ 12,089,924
Continued Arrangements Health funded	8	\$ -	\$ -	\$ 1,106,809	\$ 1,106,809
Continued Arrangements-Community Donations	8	\$ -	\$ -	\$ -	\$ -
Total		\$ 3,930,884	\$ 4,029,156	\$ 5,236,694	\$ 13,196,733

Alternatively, the initial funding envelope of \$19.5 million under this policy could be used to fund 43 new nurses for the three years of forward estimates, as well as the 8 currently funded nurses in the third year.

The policy specifies that the funding will be absorbed by NSW Health. While NSW Health have advised that they are unable to absorb the additional \$13.2 million cost, the PBO notes that the policy could be implemented by re-prioritising other programs and funding, noting that this could be difficult in practice and may affect the delivery of some services.

Key assumptions

- 8 Nurses are currently funded by NSW Health in the McGrath Foundation program and employed in NSW Health-run facilities. NSW Health will absorb this funding up to 30 June 2025 leaving one year to be funded by this policy.
- NSW Health's current costing methodology costs a Clinical Nurse Consultant (CNC) at \$157,235 in 2023-24. CNC is the level of nursing experience the McGrath Foundation requires for its program. This figure includes a base salary of \$128,881 and on-costs of \$28,354, which includes superannuation, worker compensation, ICT training, uniform and leave loading, as well as sick, FACS and mandatory training leave. Some of these on costs have been added to nurse costing methodology since the 2022 budget.
- McGrath Nurses do not work a rotating roster nor do overtime.
- An escalation of 3% and 2.5% to the annual nurse costs has been applied as per the NSW wages policy.

This policy and its costing focus on the headcount numbers of nurses. Because some nurses work part time, the headcount numbers equate to a lower number of full-time equivalent (FTE) positions, eg. the 29 new nurses equal 25 FTEs, the 8 existing nurses equate to 6.7 FTEs. If the full budget allocation is used, 43 new nurses equate to 37 FTEs plus the existing nurses.

Risk

- If the arrangement for community funded nurses were not sustained there would be increased pressure on government to provide additional funding.