



Parliament of Australia
Parliamentary Budget Office

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Parliamentary Budget Officer

Senator Richard Di Natale
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Di Natale

Please find attached a response to your costing request, *Working to close the gap: Equitable and culturally safe health care* (letter of 24 June 2016).

The response to this request will be released on the PBO website (www.pbo.gov.au).

If you have any queries about this costing, please contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

25 June 2016



Policy costing—during the caretaker period for the 2016 general election

Name of proposal:	Working to close the gap: Equitable and culturally safe health care
Summary of proposal:	<p>The proposal would provide additional funding for key health programs through the provision of a number of funding commitments for eye, ear and kidney health and funding to support Aboriginal and Torres Strait Islander nurses and midwives. A full list of commitments is at Attachment A.</p> <p>The proposal would have effect from 1 September 2016.</p>
Person/party requesting costing:	Senator Richard Di Natale, Australian Greens
Date of public release of policy:	8 June 2016
Date costing request received:	24 June 2016
Date costing completed	25 June 2016
Expiry date for the costing:	Release of the next economic and fiscal outlook report

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by \$175.7 million over the 2016-17 Budget forward estimates period. This impact reflects an increase in administered expense of \$154.1 million and an increase in departmental expenditure of \$21.6 million over this period.

This proposal would have an ongoing impact that extends beyond the forward estimates period. A breakdown of the proposal for the period 2016-17 to 2026-27 is at [Attachment B](#).

This costing is considered to be of high reliability as it is based on specified capped amounts with a small demand-driven component based on an existing service.

The Parliamentary Budget Office (PBO) has not undertaken any analysis of whether or not the prescribed funding amounts are adequate to achieve the activities outlined.

Table 1: Financial implications (outturn prices)^{(a)(b)}

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-22.5	-57.6	-54.6	-40.9	-175.7
Underlying cash balance	-22.5	-57.6	-54.6	-40.9	-175.7

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

Key assumptions

It has been assumed that:

- the development of a National Aboriginal and Torres Strait Islander Nursing Workforce Strategy would occur in 2016-17 only
- while the proposal would commence on 1 September 2016, the full amount of funding could be utilised in 2016-17.

Methodology

The estimates for the cost of interpreters were based on the existing cost of similar services provided through Australian Hearing and the rollout of the National Disability Insurance Scheme (NDIS)

Otherwise, departmental expenditure estimates are accommodated within the capped funding amounts as specified in the request. These estimates are based on other like programs and the estimates include the net effect of indexation parameters and the efficiency dividend, in accordance with the Department of Finance's costing practices.

Administered expenditure estimates are the remainder of the capped funding amounts after allowing for the estimated departmental expenditure.

Data sources

- The Department of Finance provided indexation and efficiency dividend parameters.
- Information provided by the Congress of Aboriginal and Torres Strait Islander Nurses and Midwives (CATSINaM).
- Australian Hearing (administered by the Department of Health) provided their expenditure on interpreter services.

Attachment A: Working to close the gap: Equitable and culturally safe health care—proposal details

Blindness prevention and closing the gap in eye health

Working to limit preventable blindness (capped funding amounts from 1 September 2016):

- \$10 million over four years (2016-17 to 2019-20) for an awareness campaign to encourage eye examinations and awareness of risk factors
- \$12 million over four years (2016-17 to 2019-20) to develop a comprehensive national eye health and vision strategy
- \$13 million over four years (2016-17 to 2019-20) for monitoring and research of national eye health and vision care.

Implementing the recommendations of the *Roadmap to Close the Gap for Vision* by providing capped funding of \$10.22 million over five years (2016-17 to 2020-21), and ongoing funding of \$2.92 million annually from 2021-22.

Hearing health

Improving hearing health (capped funding amounts from 1 July 2017):

- \$2 million in 2017-18 for a national database to track children with a hearing impairment
- \$15 million per annum ongoing for early evidence-based language and communication intervention for all children with hearing impairment prior to them starting school
- \$4 million per annum ongoing for sound field systems for new classrooms, and in all existing classrooms where there is a significant population of Aboriginal and Torres Strait Islander children
- \$2.5 million in 2017-18 and 2018-19 for an exemplar multidisciplinary project to address incidence of otitis media in Aboriginal and Torres Strait Islander communities
- Council of Australian Governments to prioritise hearing screenings and follow-up from all Aboriginal and Torres Strait Islander children from remote communities
- \$30 million fund over three years (2016-17 to 2018-19) for induction programs for teachers posted to schools in Aboriginal and Torres Strait Island communities
- to improve support for people with hearing impairment accessing the NDIS by providing:
 - \$2 million in 2017-18 and 2018-19 to develop an accreditation scheme to identify clinicians with the ability to provide appropriate services to adults with complex hearing rehabilitation needs
 - demand-driven funding for interpreters where needed for NDIS participants with hearing disabilities.

Kidney health

Implementing recommendations in the *Kidney Health Australia 2016-17 budget submission* (capped funding from 1 September 2016) by funding a national strategy on chronic kidney disease, involving:

- \$2 million over two years (2016-17 to 2017-18) for a taskforce to develop a national Action Plan on Aboriginal and Torres Strait Islander chronic kidney disease
- \$4 million over four years (2016-17 to 2019-20) for education and training for the Aboriginal and Torres Strait Islander health workforce
- \$4 million over four years (2016-17 to 2019-20) for appropriate patient support services in remote and regional locations.

Aboriginal and Torres Strait Islander Nurses and Midwives

Providing capped funding from 1 July 2017 of:

- \$1 million in 2017-18 for the development of a National Aboriginal and Torres Strait Islander Nursing Workforce Strategy
- \$12.54 million over three years (2017-18 to 2019-20) to support students
- \$412,672 over three years (2017-18 to 2019-20) for a mentoring program
- \$2.9 million over three years (2017-18 to 2019-20) for a Leaders in Indigenous Nursing and Midwifery Education (LINMEN) program
- \$2.75 million over three years (2017-18 to 2019-20) for CATSINaM.

Attachment B: Working to close the gap: Equitable and culturally safe health care—financial implications

Table B1: Working to close the gap: Equitable and culturally safe health care—Financial implications (outturn prices)^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Blindness prevention and closing the gap in eye health													
Administered	-6.4	-7.1	-7.8	-8.5	-29.7	-2.9	-2.9	-2.9	-2.9	-2.9	-2.9	-2.9	-49.8
Departmental	-3.1	-3.1	-3.1	-3.2	-12.6	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-12.9
Hearing health													
Administered	-9.8	-35.2	-33.6	-19.3	-97.9	-19.3	-19.3	-19.4	-19.4	-19.4	-19.4	-19.4	-233.6
Departmental	-0.2	-0.7	-0.6	-0.4	-1.9	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-4.4
Kidney health													
Administered	-2.0	-2.0	-2.0	-2.0	-7.9	-	-	-	-	-	-	-	-7.9
Departmental	-1.0	-1.0	-2.1	-	-	-	-	-	-	-	-2.1
Aboriginal and Torres Strait Islander Nurses and Midwives													
Administered	-	-6.2	-6.2	-6.2	-18.6	-	-	-	-	-	-	-	-18.6
Departmental	-	-2.3	-1.3	-1.3	-5.0	-	-	-	-	-	-	-	-5.0
Total	-22.5	-57.6	-54.6	-40.9	-175.7	-22.7	-22.7	-22.8	-22.8	-22.8	-22.8	-22.8	-334.3

- (a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual and cash terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.
- (b) Figures may not sum to totals due to rounding.
- .. Not zero but rounded to zero.
 - Indicates nil.