

The Hon Ryan Park MP

Minister for Health
Minister for Regional Health
Minister for the Illawarra and the South Coast



Ref: M24/5660

Mr Gerard Hayes AM
HSU Secretary NSW/ACT/QLD
c/o heather.crichton@hsu.asn.au

Savings targets – NSW Ministry of Health

Dear Mr Hayes 

Thank you for writing about savings targets on the NSW Ministry of Health.

I acknowledge the concerns raised and appreciate your advocacy on this matter.

The 2024-25 State Budget provides Health with a record \$35.1 billion including \$31.9 billion of recurrent expenditure and \$3.2 billion of capital works. After adjusting for several one-off or time limited funding, this is an increase of \$1.4 billion or 5% on the previous year.

New initiatives announced in the 2024-25 Budget are aimed at delivering more frontline health workers to communities that need them most. This includes:

- \$274.7 million to boost staffing at newly built and upgraded hospitals across the state. This will enable an additional 250 healthcare workers across the state including at Prince of Wales Hospital, Tweed Hospital, Bowral, Sutherland, Wentworth, Cowra, Cooma, Glenn Innes and Griffith
- \$200.1 million to deliver accommodation to house health workers in regional NSW to allow us to recruit and retain essential health workers across the state.

This investment builds upon earlier initiatives to develop an engaged, capable and supported workforce through:

- restoring 100% salary packaging benefits for HSU classifications
- professional recognition and rates for the paramedics
- delivering an extra 500 regional paramedics
- abolishing the wages cap and delivering the highest wage increases for health workers in over a decade
- introducing health worker study subsidies
- doubling rural health incentives.

As part of the NSW Government's 2023 election commitments, cutting waste was identified as an important initiative involving a leaner senior executive, reducing advertising expenditure, reducing spending on agency hire contractors by 25%, reducing spending on consultants, prudent management of legal expenses and reducing travel expenses over the 4-year term.

OFFICIAL

There has also been a NSW Government Comprehensive Expenditure Review which was tasked with identifying budget savings and reform proposals with the aim of balancing the current and future needs of the people of NSW with the current pressures facing the Budget.

Notwithstanding these savings commitments, the Government has delivered increased funding both statewide and at each and every Local Health District. I attach a breakdown highlights the dollar and percentage increase to annualised LHD budgets delivered this financial year.

NSW Health remains committed to playing its part in addressing the state's challenging fiscal environment while enhancing essential services and supporting the NSW Health workforce, delivering high quality healthcare across the state. NSW Health also remains committed to working together with the HSU to address concerns which may arise about staffing, including in Northern Sydney, Mid-North Coast, Southern NSW, and South Eastern Sydney local health districts.

I understand in recent Conciliation agreement has been reached to extend certain allied health contracts, expediting allied health positions and a review of deferred and declined allied health positions in consultation with the HSU.

Thank you again for writing.

Yours sincerely



Ryan Park MP
Minister for Health
Minister for Regional Health
Minister for the Illawarra and the South Coast

Attachment A

	2024-25 Initial Budget \$000	Annualised Budget \$000	Increase \$000	Increase per cent
Local Health District (LHD)				
Central Coast LHD	1,114,576	1,054,860	59,716	5.7
Far West LHD	165,443	155,404	10,038	6.5
Hunter New England LHD	3,024,903	2,862,909	161,994	5.7
Illawarra Shoalhaven LHD	1,260,431	1,186,168	74,262	6.3
Mid North Coast LHD	884,601	827,707	56,894	6.9
Murrumbidgee LHD	842,618	780,920	61,697	7.9
Nepean Blue Mountains LHD	1,127,853	1,079,836	48,017	4.4
Northern NSW LHD	1,160,665	1,080,185	80,480	7.5
Northern Sydney LHD	2,218,133	2,090,016	128,117	6.1
South Eastern Sydney LHD	2,281,590	2,180,051	101,539	4.7
Southern NSW LHD	570,190	532,040	38,150	7.2
South Western Sydney LHD	2,617,815	2,477,749	140,066	5.7
Sydney LHD	2,327,816	2,205,734	122,082	5.5
Western NSW LHD	1,236,565	1,174,049	62,516	5.3
Western Sydney LHD	2,424,933	2,294,740	130,193	5.7
Total LHD	23,258,131	21,982,369	1,275,762	5.8
Specialty Health Network (SHN)				
NSW Ambulance	1,609,146	1,527,060	82,086	5.4
Justice Health/Forensic Mental Health Network	306,773	285,465	21,308	7.5
St Vincent's Health Network	478,435	445,963	32,472	7.3
Sydney Children's Hospitals Network	1,097,858	1,038,330	59,528	5.7
Total SHN	3,492,213	3,296,818	195,395	5.9
Total LHD/SHN	26,750,344	25,279,187	1,471,157	5.8