



Local healthcare centres	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The policy would include 2 components:</p> <p>Component 1</p> <p>1,000 Free Local Healthcare Clinics would be opened across Australia over 4 years (250 clinics per year). Clinics would be built on new sites and offer free primary care, with 6 clinics built per Federal electorate and the remaining distributed in consultation with states and territories.</p> <p>The first 250 clinics would come online from 1 July 2026. If clinics cannot be setup by that point, space would be rented temporarily to accommodate the clinics until construction is finished.</p> <p>Component 2</p> <p>The Free Local Healthcare Clinics would be staffed by publicly employed doctors, nurses, dentists, psychologists, and allied health professionals paid professional salaries (equal to the average salary for that profession reported by the Australian Bureau of Statistics (ABS)).</p> <p>Each clinic would employ:</p> <ul style="list-style-type: none">• 1-5 salaried general practitioners (GPs)<ul style="list-style-type: none">– Clinics would have 1 GP in the first year of the policy and increase by 1 GP every 2 years up to 5 GPs per clinic.• 15 salaried registered nurses (RNs)• 2 salaried dentists• 1 salaried dental nurse or oral health therapist• 2 salaried psychologists. <p>The proposal would be ongoing and start on 1 July 2025.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$6.8 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Local healthcare centres – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-546.2	-1,750.3	-1,739.4	-2,778.8	-6,814.7
Underlying cash balance	-546.2	-1,750.3	-1,739.4	-2,778.8	-6,814.7

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

(b) PDI impacts are not included in the totals.

Uncertainties

This costing is highly uncertain and sensitive to assumptions on the cost and timing of clinic construction, the recruitment of staff, and the operational costs of the clinics.

In addition, the following caveats apply:

- This costing only provides an estimate of the cost of planning, building, staffing, and operating the specified clinics, if they were to proceed as specified.
 - The Parliamentary Budget Office (PBO) makes no assessment of the ability to attract and retain sufficient staff at the specified wages. The PBO has assumed that recruitment can proceed to the specified timeframe and attract the specified quantity of staff, which is highly uncertain.
- The costing does not consider broader impacts of the policy, such as diverted service volumes from hospitals, general practice, dentistry or other sectors which rely on the registered health professionals.
 - Given the breadth of services potentially covered by the proposed clinics and substantial shift in primary healthcare coverage (with the policy employing approximately 1 in 7 GPs and around 1 in 10 Dentists), the second-round impacts are likely to be significant but are outside the scope of this costing.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- Clinic construction and fit out would have a lead time of approximately 2 years, commencing 1 July 2025.
 - Land purchase and development approvals would occur 2 years before a given clinic is expected to start operation, and construction/fit out would occur the year before operation.
- Given the construction lead time, space for 250 clinics would be rented in 2026-27 (and half of 2025-26, to facilitate clinic fit out/setup).
- All clinics would be initially built to accommodate the full GP staffing level, rather than expanded alongside staffing.
- The Department of Health and Aged Care would receive additional funding of approximately 5% of total clinic construction/setup costs (including temporary clinics) to organise implementation and construction of new clinics.
 - This equates to full time equivalent staffing of approximately 230 staff to organise construction of 250 clinics per year.

Clinic construction

In 2025-26, the average cost to set up a clinic would be approximately \$3.2 million and would grow in line with the Consumer Price Index (CPI). This reflects a land cost of around \$1.4 million, and a construction and fit out cost of around \$1.9 million. These costs are informed by the following:

- Each clinic would require approximately 280 square metres of interior space.
 - This would facilitate 8 general exam/treatment rooms (for up to 2 GPs and 6 RNs), 2 dental suites (with the dental nurse/oral health therapist shared between suites), and 2 psychologist rooms. In addition, support areas such as a waiting room and reception, staff room, bathrooms, and supply room.
 - The required floor space for each room was informed by a mix of information from the Royal Australian College of General Practitioners recommended practice layout and the National Institute of Building Sciences example clinic/health unit design.
- Each clinic would require approximately 700 square metres of exterior space for parking.
 - Each clinic would require 15 staff carparks and 35 patient carparks (approximately 3 rounds of patients for up to 11 clinical staff).
 - Each carpark would be around 14 square metres (2.5 metres by 5.4 metres).
- Land for each clinic would cost \$1,350 per square metre.
 - This cost is informed by 2022 capital city pricing data reported by Statista, weighted by population figures reported by the ABS and adjusted by CPI.
 - The PBO has assumed that appropriate land in suitable areas for construction would be available to purchase.
- Construction and fit out of new clinics would cost approximately \$6,000 per square metre (excluding carparking).
 - This is informed by the 2025 upper estimate of indicative per metre construction and fit costs reported by Cyclo Group, adjusted by the relevant price inflation over time projected by the Treasury.
 - PBO has assumed that dental suites would cost approximately double per metre to accommodate additional equipment/fit out.
- Construction and fit out of temporary clinics would cost approximately \$2,150 per square metre and take approximately 6 months.
 - This is informed by the 2025 estimate of indicative per metre 'warm shell' fit out costs reported by Cyclo Group, adjusted by the relevant price inflation over time projected by the Treasury.
 - PBO has assumed that dental suites would cost approximately double per metre to accommodate additional equipment/fit out.
- Rental space for temporary clinics would cost approximately \$520 per square metre per year.
 - Cost by remoteness was informed by the *2023 Australian Government Office Occupancy Report*, adjusted by the relevant price inflation over time projected by the Treasury.
 - The 6 clinics per Federal electorate were distributed using the ABS population distribution by remoteness, on the basis that electorates are distributed the same way. The remaining clinics are assumed to be similarly distributed for the purposes of rental costs.

- PBO has assumed that sufficient rental space can be found in the specified areas that would meet the requirements of an urgent clinic.

Clinic operation

- Sufficient staff would be recruited in time to meet specified policy requirements, including operating the new clinics and the GP staffing ramp-up.
- Staff would be paid 15.4% superannuation, consistent with Australian Public Service employees.
- Wages would grow with Wage Cost Index 5 (WCI-5).
- The average wage specified by the policy is assumed to include any applicable penalty rates that may apply.
- Clinics would support up to 12 clinical staff at any given time, informed by the following:
 - The maximum of 5 GPs and 15 RNs are assumed to work in shifts of up to 2 GPs and 6 RNs to provide coverage from 8am to 10pm every day for those services, as with Medicare Urgent Care Clinics.
 - Dental and mental health staff would only provide services during business hours.
- Each clinic would require 2 administrative staff (1 receptionist and 1 practice manager) at any given time.
 - The staff would work in 3 shifts for a total of 6 administrative staff and be paid the average wage reported by the ABS.
- Clinic ongoing costs (such as medical consumables, building utilities, and medical professional indemnity insurance) would be approximately 20% of wages.
- The Department of Health and Aged Care would receive additional funding of approximately 1% of total clinic wages to provide corporate support functions.

Methodology

The cost of clinic construction and setup was calculated as per *Key assumptions* above. The cost of clinical staffing was calculated by multiplying the number of required staff by the average salary for that profession reported by the ABS (as specified by the policy) plus superannuation.

Departmental costs were calculated as per *Key assumptions*.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

Australian Bureau of Statistics (2025) [Regional population](#), accessed 20 May 2025.

Australian Bureau of Statistics (2024) [Employee earnings and wages \(May 2023, data cube 11\)](#), accessed 20 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Cyclo Group (2025) [*What is the Fitout Cost of a Medical or Veterinary Clinic?*](#), accessed 20 May 2025.

Department of Finance (2023) [*2023 Australian Government Occupancy report*](#), accessed 20 May 2025.

National Institute of Building Sciences (2025) [*Clinic / Health Unit / WBDG*](#), accessed 20 May 2025

Royal Australian College of General Practitioners (2019) [*Practice layout*](#), accessed 20 May 2025.

Services Australia (2024) [*Medicare item reports*](#), accessed 20 May 2025.

Statista (2022) [*Price per square meter of land in selected cities/areas in Australia in 2022*](#), accessed 20 May 2025.

Attachment A – Local healthcare centres – Financial implications

Table A1: Local healthcare centres – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
<i>Wages</i>	-	-690.0	-700.0	-1,540.0	-2,360.0	-3,420.0	-3,500.0	-3,790.0	-3,880.0	-3,960.0	-4,060.0	-2,930.0	-27,900.0
<i>Clinic costs</i>	-520.0	-1,010.0	-990.0	-1,180.0	-1,000.0	-680.0	-700.0	-760.0	-780.0	-790.0	-810.0	-3,700.0	-9,220.0
Total – administered	-520.0	-1,700.0	-1,690.0	-2,720.0	-3,360.0	-4,100.0	-4,200.0	-4,550.0	-4,660.0	-4,750.0	-4,870.0	-6,630.0	-37,120.0
Departmental													
<i>Departmental Support</i>	-26.2	-50.3	-49.4	-58.8	-49.9	-34.2	-35.0	-37.9	-38.8	-39.6	-40.6	-184.7	-460.7
Total – departmental	-26.2	-50.3	-49.4	-58.8	-49.9	-34.2	-35.0	-37.9	-38.8	-39.6	-40.6	-184.7	-460.7
Total (excluding PDI)	-546.2	-1,750.3	-1,739.4	-2,778.8	-3,409.9	-4,134.2	-4,235.0	-4,587.9	-4,698.8	-4,789.6	-4,910.6	-6,814.7	-37,580.7

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Local healthcare centres – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-10.0	-60.0	-140.0	-250.0	-400.0	-580.0	-800.0	-1,030.0	-1,290.0	-1,560.0	-1,860.0	-460.0	-7,980.0
Underlying cash balance	-10.0	-50.0	-120.0	-220.0	-360.0	-540.0	-740.0	-970.0	-1,220.0	-1,490.0	-1,780.0	-400.0	-7,500.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)