



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
 Referred Date: 11/12/2014

Proposal No: A024  
 Date Published: 23/03/2015

Proposal Title: **HALF PRICE REGISTRATION FOR APPRENTICES**

Lead Agency: Transport for NSW

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		320	661	683	1,663
Depreciation					-
Less: Offsets		44	90	93	227
Revenue					-
<b>Net Operating Result:</b>	-	<b>(276)</b>	<b>(570)</b>	<b>(590)</b>	<b>(1,436)</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	<b>(276)</b>	<b>(570)</b>	<b>(590)</b>	<b>(1,436)</b>
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<b>Net Financial Liabilities:</b>	-	<b>276</b>	<b>846</b>	<b>1,436</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>276</b>	<b>846</b>	<b>1,436</b>
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### Notes and costing assumptions used:

Under the current \$100 rebate, 9% of total apprentices in Years 1 and 2 are claiming the rebate.

The policy proposes to extend the rebate to apprentices in Years 3 and 4 of study and applies a 50% discount to the registration price. The policy is to be implemented from January 2016.

There are 57 passenger vehicles per 100 people in Australia (source ABS).

Based on information provided by NSW Roads & Maritime and our own modelling, we estimate the half price rebate scheme will increase the average rebate by about 44% in 2016. We assume this increased discount will stimulate a 5% increase in the number of Year 1 and Year 2 apprentices claiming the rebate.

Apprentices in Years 3 and 4 are 50% of the total apprentice population. We estimate take-up of the scheme by Year 3 and 4 apprentices will be higher than current take-up because they are older and will therefore be more likely to own a car. We have modelled a 14% take up of the rebate by apprentices in Year 3 and 4 in estimating the costs of the policy.

Total apprentice enrolments over the period are assumed to remain constant over the period consistent with forecast data provided.

**Costing Assumptions Continued:**

Administration costs are based on a Transport Grade 4 officer, and increase in proportion to the increased number of claims each year. These administration costs from processing more rebates we assume can be offset within the Department of Transport, consistent with the policy.