



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
 Date Referred: 22/01/2015

Proposal No: A141
 Date Published: 23/03/2015

Proposal Title: **LANDMARK REVIEW OF EDUCATION & TRAINING IN NEW SOUTH WALES AFTER YEAR 10**

Cluster: Education and Communities

General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					-
Depreciation					-
Less: Offsets					-
Revenue					-
Net Operating Result:	-	-	-	-	-

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

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

Net Financial Liabilities:	-	-	-	-	-
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Notes and costing assumptions

The policy proposes to provide funding in 2015-16 to support an expert to undertake a nine month review of the NSW education system after Year 10.

A capped amount of \$250,000 is proposed to support the expert's salary, travel and other expenses. The PBO considers this level of funding would be sufficient to enable engagement of a well qualified expert. Meeting the cost by reallocating existing spending within the Department of Education and Communities would be reasonable given the small quantum of proposed spending. The total budget for the NSW Education and Training sector in 2014-15 is \$14.2 billion, of which \$11.7 billion comprises spending on schools.

Total costs of the review may vary depending on the planned level of stakeholder engagement, including the number and locations of public meetings, the number of submissions received, and other variable expenses including background research, meetings with stakeholders.

The policy assumes additional secretariat support, where needed, would be made available by reallocating existing resources in the Department, and seconding staff from other agencies if needed. This does have a cost, although it can often be an opportunity cost (other work is deferred or not done) rather than a direct cost. As an indicative figure, secretariat costs for a large scale national review can be of the order of ten times the direct costs of a reviewer; for a smaller scale State level review they can be as little as two to three times. Another indicator of comparable prices is commissioned evaluations. These are highly variable. The NSW Department of Education and Communities' 2013 Annual Report lists a number of evaluations ranging in estimated cost from \$7,000 to \$690,000 and points between. The PBO notes that to the extent the

Costing assumptions continued:

proposed review replaces other departmental activity planned or underway the opportunity costs would be lower.