



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	NSW Tools for Your Trade
Date of request:	11 December 2014

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Establish a \$500 rebate to be paid in two instalments to help apprentices pay for tools, protective clothing and related expenses. \$250 will be paid on commencement and \$250 on completion of an apprentice's qualification.
What is the purpose or intention of the policy?	Assist apprentices to meet qualification-related expense and increase completion rates.
Has the policy been publicly released yet?	

Your estimated costing of the policy ¹						
	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	Other years ² \$'000	Total \$'000
Impact on General Government Sector (GGS) net operating result ³	-	7,364	7,364	7,364	7,364	22,091
Impact on GGS capital expenditure ⁴	-	-	-	-	-	-
If different from above, impact on total State Sector net financial liabilities ⁵						

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

² Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

³ Negative for a saving that reduces expenditure

⁴ Negative for a reduction in capital expenditure.

⁵ Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Note: Has the policy been costed by a third party?
 If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	The Abbott Government abolished the Commonwealth Tools for Your Trade program in its 2014-15 Budget.
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p>It is assumed that apprentice commencement and completion numbers will follow most recent historical outcomes.</p> <p>Apprentice commencements are expected to be 18,013 annually. This is consistent with 2014-15 “Original Application Approved” for apprentices, Attachment 1. This estimate may be an overstatement as approvals have been falling every year since 2010 (see “Original Applications Approved” – Calendar Years Attachment 2).</p> <p>Apprentice completions are expected to 11,441 annually (consistent with 2013 calendar year “Completions processed” for apprentices, Attachment 3).</p> <p>No behavioural change relative to historical data is assumed (note: policy replaces Commonwealth Tools for Your Trade that ceased 1 July 2014).</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	No
Are there associated savings, offsets or expenses? If yes, please provide details.	..

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Education & Communities
Are there any specific administrative arrangements for the policy that need to be taken into account?	No. Detailed registration of apprentices is already undertaken by education.
Are there transitional arrangements associated with policy implementation?	No

If the policy is mainly an expenditure⁶ commitment	
Demand driven or a capped amount:	Consistent with existing apprenticeship approval arrangements.
Eligibility criteria or thresholds:	Commencing or completing apprentice who applies for the grant.

If the policy is mainly a revenue commitment	
Transaction based or capped:	N/a.
Thresholds and/or exemptions:	..
Collection method:	..
Additional expenditure associated with collection:	..

If the policy is mainly a capital costs⁷ commitment	
Type of work, size and capacity:	N/a
Proposed start and completion date of work:	..
Intended construction schedule/cashflow:	..
Offsetting expenditure savings:	..
Associated asset sell off (if any):	..
On-going maintenance, depreciation and operational expenses:	..
Third party funding involvement:	..

⁶ Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

⁷ Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.