



## 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 Local Jobs First Plan
Date of request:	11 December 2014

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Provide price preference for small and medium enterprises located in Australia and New Zealand demonstrating local content in their tender applications. See <a href="#">Attachment 1</a> .
What is the purpose or intention of the policy?	Support industry capability, jobs, skills and economic activity in local communities while still achieving value for money.
Has the policy been publicly released yet?	

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

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

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

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

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

<b>Key assumptions made in the policy</b>	
Does the policy relate to a previous announcement? If yes, which announcement?	The original NSW Jobs First Plan was implemented by Premier Rees in 2010.
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p>Minimal administrative costs are assumed given the policy previously existed up until 2011.</p> <p>The policy being costed applies to all NSW Government agencies and State Owned Corporations using a competitive process to procure goods and services valued above \$750,000, including information and communication technology and major consultancies.</p> <p>In addition, there will be a further five per cent price preference for industries in regional and remote areas and Targeted Economic Development Regions.</p> <p>See attachments for further assumptions.</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.	..

<b>Administration of policy</b>	
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.)?	NSW Trade and Investment.
Are there any specific administrative arrangements for the policy that need to be taken into account?	No.
Are there transitional arrangements associated with policy implementation?	..

<b>If the policy is mainly an expenditure<sup>6</sup> commitment</b>	
Demand driven or a capped amount:	N/a.
Eligibility criteria or thresholds:	..

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



## **Attachment 1 – Additional information**

The policy will apply to all NSW Government agencies and state-owned corporations using a competitive process to procure goods and services valued above \$750,000, including information and communication technology and major consultancies.

The Price Preference Scheme has two key elements:

- An Australian and New Zealand Price Preference Margin which provides that a twenty per cent price discount be applied to the ANZ Small and Medium Enterprise (SME) content in offers from tenderers; and
- A Priority Preference Scheme which provides for a price preference margin of five per cent for firms located in NSW Rural and Regional areas, and in areas designated as Targeted Economic Development Regions including Greater Western Sydney and the Hunter.

For contracts valued at more than \$4 million tenderers will need to submit a NSW Small and Medium Enterprise Participation Plan (SMEPP) to demonstrate how they will involve local businesses.

The criteria to be evaluated in the SMEPP will include training and creation of employment opportunities for apprentices/trainees/cadets in NSW (including adult apprentices) engaged in accredited training programs.

Other criteria will include local investment resulting from the contract and the number of new and retained employees – including those in the contract supply chain.