



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Jobs for NSW
Date of request:	10 March

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To attract new jobs and businesses to NSW
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	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		6,500	85,700	160,700	252,900	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

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

<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?	Refer to Attachments A & B
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

<b>Administration of policy</b>	
Intended date of implementation:	April 2015
Intended duration of policy:	Forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Treasury / Department of Trade and Investment, Regional Infrastructure and Services
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachment B
Are there transitional arrangements associated with policy implementation?	Refer to Attachment B

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

<b>If the policy is mainly a revenue commitment</b>	
Transaction based or capped:	Refer to Attachment B
Thresholds and/or exemptions:	Refer to Attachment B
Collection method:	Refer to Attachment B
Additional expenditure associated with collection:	Refer to Attachment B

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

<b>If the policy is mainly a capital costs<sup>7</sup> commitment</b>	
Type of work, size and capacity:	Refer to Attachment B
Proposed start and completion date of work:	Refer to Attachment B
Intended construction schedule/cashflow:	Refer to Attachment B
Offsetting expenditure savings:	Refer to Attachment B
Associated asset sell off (if any):	Refer to Attachment B
On-going maintenance, depreciation and operational expenses:	Refer to Attachment B
Third party funding involvement:	Refer to Attachment B

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions). Assumptions could include, but are not limited to, questions such as:

- What is the expected community impact?
- How many people will be affected by the policy?
- What is the likely take up or other behavioural response you expect?
- Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- Will funding/program cost require indexation?
  - If yes, do you have any assumptions about the index that should be applied?
- What assumptions have you made about costs of administering the policy?
  - For example, will additional staff be needed in the agency responsible for the policy?
  - If you have assumptions on this, how many and at what approximate levels?
  - Are there other administrative resources required?
  - Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> 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.

# A re-elected Baird Government will create 150,000 more jobs



## The Baird Government is committed to supporting jobs growth and boosting the economy.

NSW has gone from being the economic basket case of Australia to the leading Australian economy. Under Labor, NSW had the slowest economic growth and an unemployment rate consistently above the national average.

By contrast, over the last 4 years, NSW has the strongest economic growth of all of the States and has delivered over 136,000 more jobs. The Government has supported this economic transformation with record investment targeting the levers of economic growth – infrastructure and housing.

In addition, the Government has supported job creation by lowering business costs including reduced worker's compensation premiums, lower payroll taxes and providing payroll tax rebates for growing firms, reduced red tape and strong economic leadership.

We've established eight Industry Action Plans in partnership with industry and businesses to ensure that we focus on our strategic economic advantages. Through these industry attraction schemes we have attracted more than \$8 billion in investment to NSW and added 23,600 full-time equivalent jobs.

However we know that there is more that can be done to attract new jobs and businesses to NSW, and to ensure that our young people are prepared for the jobs of tomorrow.

That is why the Baird Government will provide \$678 million in funding and incentives over the next 4 years for local businesses to grow and for interstate and international businesses to relocate to NSW.

## A re-elected Baird Government will:

- ✓ Commit to growing employment by 150,000 jobs over the next 4 years.
- ✓ Extend the successful \$5000 Jobs Action Plan payroll tax rebates for a further 4 years until 30 June 2019. Over the last 4 years, businesses have strongly supported this initiative with over 90,000 payroll tax rebate applications.
- ✓ Establish a new \$2000 Small Business Employment Incentive for non-payroll tax paying businesses that will reward small businesses for every additional employee that they take on. The incentive will be paid for genuinely additional employees on their first anniversary of employment.
- ✓ Establish a \$25 million Jobs of Tomorrow Scholarship Fund. We will provide 25,000 \$1000 scholarships for students undertaking qualifications for technology and growth jobs. The scholarships will be paid in two parts, \$500 at the beginning and \$500 at the successful completion of the course.
- ✓ Boost the State's investment attraction schemes by \$32 million to create a \$190 million war chest to aggressively attract businesses from interstate and overseas to set up in NSW. We will leverage private sector expertise ensure that use this funding to deliver the greatest economic and employment impact for the state.

# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing Non Eliminated and Non Escalated

**Proposal Title:** Jobs for NSW - Summary Costing

**Lead Agency:** Department of Trade and Investment, Regional Infrastructure and Ser

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	8,700	87,900	162,900	259,500
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	2,200	2,200	2,200	6,600
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-6,500	-85,700	-160,700	-252,900
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-6,500	-85,700	-160,700	-252,900
<b>Net Financial Liabilities:</b>	0	-6,500	-92,200	-252,900	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>				
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### Notes and costing assumptions used:

This costing has various components: incentives for local businesses to grow and for interstate and international businesses to relocate to New South Wales.

Expenditure on the incentives comprises: \* extending the \$5,000 Jobs Action Plan payroll tax rebates for a further four years until 30 June 2019 \* establishing a new \$2,000 Small Business Employment Incentive for non-payroll tax paying businesses that hire new employees \* \$29.9m capped additional funding for the SIAS and RIIF schemes (over 3 years to 2017-18) Total \$31.6 million over 4 years to 2018-19. \*\$25 million capped additional for a VET scholarships fund for technology industry students (25,000 grants available at \$1,000 per grant) - assume 100% take up.

We have redirected \$2.2 million per year from 2015-16 of DTIRIS funding to facilitate this policy package.

The gross new allocation to all of the above measures over four years to 18-19 is \$397.4m.

The gross allocation including existing funding over four years to 18-19 is \$687m (based on SIAS and RIIF profile after PTA request - see costing 235 SIAS and RIIF)

ATTACHMENT B



**Prepared by:**

**Date:** 11/02/2015