



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Support our veterans
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	Support veterans transitioning from the military into civilian life through the recruitment of more young veterans into the NSW Public Service (costing for 200 veterans)
Has the policy been publicly released yet?	N/A

Your estimated costing of the policy ¹						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years ² \$'000
Impact on General Government Sector (GGS) net operating result ³	-	576	422	422	1,420	
Impact on GGS capital expenditure ⁴	-	50	0	0	50	
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?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

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.)?	Department of Premier and Cabinet
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure⁶ commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

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

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

If the policy is mainly a capital costs⁷ commitment	
Type of work, size and capacity:	Refer to Attachment B
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:	Refer to Attachment B
Third party funding involvement:	-

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.

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.

A re-elected Baird Government will support our veterans



The Baird Government is committed to supporting our veterans transitioning from the military into civilian life.

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Each year around 1,000 servicemen and women in NSW leave the military, and the number of veterans who have served in contemporary conflicts now exceeds that of the Vietnam War.

Returned servicemen and women across NSW face challenges integrating back into civilian life and may have difficulty transitioning into a new career pathway.

We want the NSW Public Service to lead the nation in the way we go about recruiting young veterans. That is why we will dedicate the resources needed to engage and mentor young veterans and their spouses, so we can match them with public sector jobs suited to their skills.

The Baird Government will implement a specialised employment scheme throughout the NSW Public Service, to employ young veterans and their spouses tailored to areas where there is a skills shortage within the Public Service.

The Baird Government values the profound contribution that our modern veterans make to the fabric of our society and that is why we have developed this plan to help them build a secure future through employment.

A re-elected Baird Government will:

- ✓ Create a specialist Veterans Transition Unit within the Office of Veteran's Affairs
- ✓ Implement a specialist employment scheme to operate within the NSW Public Service to employ young veterans in areas where their unique skills are in high demand
- ✓ Establish a target of transitioning 200 additional veterans into NSW public sector roles by 2019

Back The Baird Plan and keep NSW working.

2015 Election Policy Costing

Proposal Title: Creation of a specialised employment scheme to employ young veterans in the NSW public service.

Lead Agency: Department of Premier and Cabinet

General Government Sector Impacts

Note: All figures should be entered as positives

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	564	410	410	1,383
Depreciation	0	13	13	13	38
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
Net Operating Result:	0	-576	-422	-422	-1,420
Capital Expenditure	0	50	0	0	50
Less Depreciation	0	13	13	13	38
Capital Offsets	0	0	0	0	0
Net Capital Expenditure:	0	38	-13	-13	13
Net Lending/Borrowing:	0	-614	-410	-410	-1,433
Net Financial Liabilities:	0	614	1,023	1,433	
Total State Sector Impacts					
Net Financial Liabilities:	0	614	1,023	1,433	

Notes and costing assumptions used:

1. The scheme Supporting our Veterans Future was outlined in a media release (August 2013). The scheme at that time was restricted to the private sector. The proposed extension to the public sector will be similar in scope and targetting. 2. The target of 200 veterans being placed over 4 years seems achievable. The policy submission notes that over 1000 service men and women in NSW leave the military each year and some would seek to join the public service and be successful. 3. Staff of the unit are an 11/12 (manager) and 1 x 5/6 as assistant manager at the top pay scale. Given that they are likely to be hired from outside DPC rather than promoted internally this max rate has been accepted. 4. Oncosts and salaries have been treated separately. Further overhead costs at 10% of salaries p.a have been included. 5. It is assumed that these costs will be absorbed by DPC and Treasury as they would be part of normal intergovernmental work. 6. No costs for legislative changes have been included as Veteran Affairs considers legislative change unlikely to be needed and if required would be part of the core work of the Crown Solicitors and Parliamentary Counsel's office. 7. Ongoing IT technical design and support has been estimated at \$10,000 p.a based on VA estimates. 8. It has also been assumed that an additional field on the JOBS NSW website will be required so that veterans requiring the scheme support can be identified. 9. Also there is likely to be travel required so additional costs of \$8,000 in 2015-16 and \$4,000 per annum thereafter have been included. 10. Annual costs related to employee mentoring (training etc) are estimated at \$60,000 (as per the proposal). 11. Given the need to consult with stakeholders and possibly provide specialist training to deal with the veterans' special needs e.g post traumatic stress disorder, a consultant's costs have been included to assist in set up of the program at \$75,000.

REVENUE: It is assumed that there is no offsetting funding from the Commonwealth.

CAPITAL: The costing notes that there will be a one stop webpage hosted by VA/DPC. There will be one off set up costs of \$50,000 which are assumed to be capital (source DPC/VA discussions), depreciated over four years. Additional IT equipment will be met from the existing DPC IT budget. Other office costs will be met from the existing DPC budget noting that DPC is using agile working practices and there are no fixed desks.