



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
Date Referred: 14/03/2019

Proposal No: B441  
Date Published: 18/03/2019

Proposal Title: Labor's Plan to Rebuild TAFE - Private Provider Investigations Unit

Cluster: Industry

## General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	1,590	1,628	1,669	4,887
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
<b>Net Operating Balance:</b>	-	<b>(1,590)</b>	<b>(1,628)</b>	<b>(1,669)</b>	<b>(4,887)</b>

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
<b>Net Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	<b>(1,590)</b>	<b>(1,628)</b>	<b>(1,669)</b>	<b>(4,887)</b>
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## Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	<b>(1,590)</b>	<b>(1,628)</b>	<b>(1,669)</b>	<b>(4,887)</b>
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## Notes and costing assumptions

This policy proposes to establish an eight person private provider investigations unit within the TAFE sector from 1 July 2019. The unit is to investigate and audit the following:

- Inappropriate low quality short course delivery
- The quality of the course delivery from training providers
- The suitability of a qualification for students and whether it leads to a job
- The marketing practices of training providers, and
- Suspected fraud.

The PBO estimates the cost of this policy to be \$4.9 million over the forward estimates.

The PBO has based this cost on information provided by the Department of Industry (DoI). DoI has advised that, for a full time equivalent (FTE) staff member in an investigations unit, the cost would be \$130,000 per year (2019-20 dollars). Accordingly an eight FTE unit would cost around \$1 million per year.

Based on DoI advice, the PBO also estimates that \$550,000 per year would be required for operating expenses for activities such as training, other facility related costs, legal costs, student survey expenses, audit and consulting expenses.

Employee costs are escalated by 2.5% per year over the forward estimates in line with the NSW public sector wage policy; operating expenses are escalated according to the Sydney consumer price index forecasts/projections in the Pre-Election Budget Update (2.25% in 2020-21 and 2.5% in 2021-22).