



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 21/02/2019

Proposal No: Y064
Date Published:

Proposal Title: Vocational Schools Pilot Program

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)	-	-	-	-	-
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	-	-	-

Capital Expenditure	-	-	16,886	16,886	33,771
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	-	16,886	16,886	33,771

Net Lending/(Borrowing):	-	-	(16,886)	(16,886)	(33,771)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	-	(16,886)	(16,886)	(33,771)
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Notes and costing assumptions

This policy proposes, from 1 July 2019, to establish a pilot program for two senior secondary vocational schools in Western Sydney and the North Coast. These schools will provide Year 11 and 12 students with expanded Vocational Education and Training (VET) options. The schools will be established by redeveloping existing schools to include VET facilities that will cater for up to 400 students per school. The Western Sydney school will offer construction courses, and the North Coast school will offer health and social care courses.

The PBO estimates the cost of this policy to be \$33.8 million over the forward estimates, with \$23.3 million in recurrent costs to operate the schools from 2022-23 and onwards.

The policy states that planning will commence from 1 July 2019, with these planning costs absorbed by the Department of Industry. Construction of VET facilities are to commence in 2020-21, with the schools opening from 2022-23.

The costs are based on advice from the Department of Industry, which in 2018 engaged Deloitte to perform a high level cost estimate of establishing the two schools. Deloitte estimated that the capital cost for each proposed site will be:

- \$14.8 million for a school in the Western Sydney region, and
- \$19 million for a school in the North Coast region.

Deloitte also estimated annual operating costs to be \$11.7 million per school per year from 2022-23 and onwards. These costs are outside the forward estimates period.