



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 1/03/2019

Proposal No: Y082
Date Published: 18/03/2019

Proposal Title: Helping women to start their own business

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)	-	975	1,950	1,950	4,875
Depreciation	-	-	-	-	-
Less: Offsets	-	975	-	-	975
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	(1,950)	(1,950)	(3,900)

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	-	(1,950)	(1,950)	(3,900)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	-	(1,950)	(1,950)	(3,900)
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Notes and costing assumptions

The policy proposes TAFE NSW to offer women multilingual online courses to build their financial literacy and business startup skills, together with mentoring, network and coaching opportunities. The policy specifies that the start date is January 2020, for a duration of four years, and that the cost of the policy in 2019-20 is to be offset internally.

The PBO estimates the total cost of the policy is approximately \$2 million per year from 2020-21 onwards. Over the forward estimates, the PBO estimates the total cost of the policy is \$3.9 million.

The estimate is based on information provided by TAFE NSW and Treasury about the likely scope and costs for the training program for the policy, as summarised in the table below.

Component	Hours required	Cost per year
Non-accredited course development (video and online learning materials and app development)	1,200	\$500,000
Educational input and delivery, including subject knowledge specialists and language, literacy and numeracy training practitioners	1,000 initially + ongoing employment-related costs	\$1,000,000
Events management and workshop series	800	\$300,000
Evaluation and program monitoring	400	\$150,000
Total cost per year		\$1,950,000

Notes and costing assumptions continued:

In particular, TAFE NSW advised that the topics covered by the training program will include:

- Financial Readiness for Your Start-Up
- Setting up a Start-Up – forms, regulations and processes to kick start your business
- Setting up a Home Office for Start-Ups
- Time Management For Start-Up Mothers
- Multicultural Entrepreneurs: World-wide English Online.

Treasury advised that the \$0.5 million per year for course development may be an overestimate, as it is unlikely the whole course would be redeveloped each year. The PBO considers that some of the \$0.5 million per year would be used to refine and improve course materials. It could also be used to supplement other parts of the program, consistent with the policy's objectives.

The policy states that the Department of Industry will offset the cost of the policy for 2019-20. The PBO has therefore included a notional \$1 million in this year, half the estimated annual cost of \$2 million, to reflect the January 2020 start date.

The PBO considers it is feasible for the costs to be offset internally within the cluster in 2019-20. The PBO notes that the NSW Government announced a \$30 million Skills for Business program in June 2018 and that the cluster's expenditure for skills and workforce programs is \$2.2 billion for 2018-19. TAFE NSW has also advised funding for the policy can be accessed from the existing Skills for Business grant for 2019-20.

As such, there is scope for TAFE NSW and the Industry Cluster to reprioritise existing resources to meet the cost of the policy in 2019-20.