



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Coalition **Proposal No:** C1478
Date Referred: 27/02/2023 **Date Published:** 20/03/2023
Proposal Title: Unblocking supply chains
Cluster: Cross-Cluster

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation					-
Less: Offsets					-
Revenue					-
Net Operating Balance:	-	-	-	-	-

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

Net Lending/(Borrowing):	-	-	-	-	-
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Total State Sector Impacts

Net Lending/(Borrowing):	-	-	-	-	-
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Notes and costing assumptions:

This policy proposes to reduce the cost of goods and services in NSW by:

- appointing a Supply Chain Commissioner
- providing a rebate for heavy vehicle course fees between \$500 and \$1,000 for 7,000 people aged under 30 and
- advocating for reform to national regulations on packaging.

The policy stipulates costs will be borne by specific departments without providing additional funding.

- The Department of Premier and Cabinet (DPC) will be directed to fund the Supply Chain Commissioner and associated staff at an estimated cost of \$14.7 million over the forward estimates.
- Transport for NSW (Transport) will be directed to fund the heavy vehicle course fee rebate, at an estimated cost of \$5.25 million over two years.

As the policy stipulates these costs should be absorbed by DPC and Transport without additional funding, the PBO has costed this policy as having nil budget impact, while also providing estimates of the departmental resources that will be required in the sections to follow.

Notes and costing assumptions continued:

Costs – Department of Premier and Cabinet

The PBO has estimated the cost to the department of appointing a Supply Chain Commissioner, using information supplied by Transport for NSW for a similar appointment and suitable supporting staff (Table 1).

Table 1. Estimated annual staff costs for establishing an office of the Supply Chain Commissioner

Staff	Number	Unit cost	2022-23 (\$'000)	2023-24 (\$'000)	2024-25 (\$'000)	2025-26 (\$'000)	4 year total (\$'000)
Commissioner	1	592	592	607	622	637	2,458
Executive Director	1	420	420	430	441	452	1,744
Directors	2	339	677	694	712	729	2,813
Senior Managers	2	234	468	480	492	504	1,943
Grade 9	2	224	448	459	470	482	1,859
Grade 8	3	194	583	598	613	628	2,421
Grade 7	2	171	342	351	360	369	1,422
			3,530	3,618	3,709	3,802	14,659

The PBO notes that a discount should be applied to allow time for ramping up in the first financial year of the policy. The PBO has assumed costs in the first year would only be 25% of the full annual cost, considering the number of months that will remain in the 2022-23 financial year after the formation of government, and reduced the estimated costs accordingly (Table 2).

Table 2. Pro rata estimated costs for the office of the Supply Chain Commissioner, making an adjustment for reduced costs in the first year as the office is established.

	2022-23 (\$'000)	2023-24 (\$'000)	2024-25 (\$'000)	2025-26 (\$'000)	4 year total (\$'000)
Staff costs	3,530	3,618	3,709	3,802	
Pro rata	0.25	1.00	1.00	1.00	
Cost	883	3,618	3,709	3,802	12,012

Costs – Transport for NSW

The policy states that the rebate offered to those undertaking heavy vehicle courses will:

- range between \$500 and \$1000
- be limited to 7000 applicants
- will cost \$5 million over two years
- be only available to applicants aged under 30
- be funded by Transport for NSW from existing resources.

Based on those stated policy parameters, the PBO assumes the average value of the rebate offered will be \$750, with an estimated total cost to the department of \$5.25 million over two years (Table 3).

Table 3. Estimated costs of a heavy vehicle rebate offered to 7000 individuals

Subsidy	Persons	Cost (\$'000)
\$500	7000	\$3,500
\$1,000	7000	\$7,000
\$750	7000	\$5,250

Heavy vehicle courses are training courses that enable people to drive heavy vehicles. The PBO has compiled an example list of advertised prices of heavy vehicle courses (Table 4).

Notes and costing assumptions continued:

Training provider	RTO code	Advertised course	Advertised cost (\$)
123 Training Solutions	41347	Medium Rigid	1,150
123 Training Solutions	41347	Heavy Rigid Condition B(Automatic)	1,550
123 Training Solutions	41347	Heavy Combination Automatic	1,800
123 Training Solutions	41347	Multi Combination Upgrade	1,950
123 Training Solutions	41347	Heavy Rigid Unrestricted	2,200
123 Training Solutions	41347	Heavy Combination Unrestricted	2,650
Driver Training NSW	45209	Medium Rigid	1,000
Driver Training NSW	45209	Heavy Rigid Condition B(Automatic)	1,450
Driver Training NSW	45209	Heavy Rigid Unrestricted	1,750
Driver Training NSW	45209	Multi Combination Upgrade	1,750

¹ See Driver Training NSW, *Our services*, <https://www.drivertrainingsw.com.au/services>; 123 Training Solutions, *NSW Truck Licence*, <https://123trainingsolutions.com.au/Blog/nsw-truck-licence#MR>