

#### ECR-2025-1631

Advanced Entry Trades Training									
Party:	Australian Labor Party								
Summary of proposal:									
The proposal would establish the Advanced Entry Trades Training program to help 6,000 experienced but unqualified workers fast track their qualifications.									
The program would assess a participants' existing skills via a recognition of prior learning process and then fill in any gaps with individualised training delivered by TAFEs and other high quality Registered Training Organisations. Any extra training needed will be free.									
The program is based on the New South Wales (NSW) Government <i>Trade Pathways for Experienced Workers</i> program, which has seen more than 1,200 students gain their trade qualification in an average time of 7 months.									
The operations of the program, including relevant occupations for inclusion, would be based on local labour market needs, which will be worked through with states and territories.									
The program would be non-ongoing over 3 years and start on 1 January 2026.									

### Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$78.1 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

#### Table 1: Advanced Entry Trades Training – Financial implications (\$m)<sup>(a)(b)</sup>

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-20.0	-38.6	-19.5	-	-78.1
Underlying cash balance	-20.0	-38.6	-19.5	-	-78.1

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.(b) PDI impacts are not included in the totals.

- Indicates nil.

### Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

• The number of students per year would reflect the announced funding profile from the Australian Labor Party, with 25% of the total 6,000 students in the first year of the policy, 50% in the second year of the policy, and 25% in the third year.

- The proportion of unsuccessful students (that is, those who do not receive a qualification from undertaking the program) would be around 10%.
  - Based on analysis of VET student outcomes 2024 and VET qualification completion rates 2023 from the National Centre for Vocational Education Research.
- Based on the NSW Government program *Trade Pathways for Experienced Workers,* the average cost of the program per student would be around \$12,500.
  - The average cost per student was calculated by dividing the total amount of grants accessed through the NSW program by the number of students that have participated in the NSW program (that is, 1,200 uplifted by the unsuccessful rate of 10%).

## Methodology

The administered costs were calculated by multiplying the average cost per student by the number of students, as per *Key assumptions*.

Departmental expenses were estimated based on the cost of administering similar programs.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

## Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025,* Commonwealth of Australia.

Department of Education New South Wales (NSW) (2023) <u>Annual Report 2023-24</u>, accessed 14 May 2025.

Department of Education New South Wales (NSW) (2023) <u>Interim Annual Report 2023</u>, accessed 14 May 2025.

Department of Education New South Wales (NSW) (2022) Annual Report 2022, accessed 14 May 2025.

Departmental expenses were informed by similar measures in the Commonwealth budgets from 2015-16 to 2021-22.

National Centre for Vocational Education Research (2024) <u>VET qualification completion rates 2023</u>, accessed 21 May 2025.

National Centre for Vocational Education Research (2024) <u>VET student outcomes 2024</u>, accessed 21 May 2025.

<sup>1</sup> https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules

# Attachment A – Advanced Entry Trades Training – Financial implications

#### Table A1: Advanced Entry Trades Training – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
Advanced Entry Trades Training	-18.9	-37.7	-18.9	-	-	-	-	-	-	-	-	-75.5	-75.5
Departmental													
Department of Employment and Workplace Relations (DEWR)	-1.1	-0.9	-0.6	-	-	-	-	-	-	-	-	-2.6	-2.6
Total (excluding PDI)	-20.0	-38.6	-19.5	-	-	-	-	-	-	-	-	-78.1	-78.1

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms.

- Indicates nil.

#### Table A2: Advanced Entry Trades Training – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-0.4	-1.8	-3.1	-3.7	-3.9	-4.0	-4.2	-4.4	-4.6	-4.8	-5.0	-9.0	-39.9
Underlying cash balance	-0.3	-1.4	-2.8	-3.6	-3.8	-4.0	-4.2	-4.4	-4.6	-4.8	-5.0	-8.1	-38.9

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms.

<sup>2</sup> Online budget glossary – Parliamentary Budget Office (pbo.gov.au)