

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry Portfolio
Budget Estimates Hearing 2014-15
2-3 June 2014

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY

TOPIC: Trade Support Loans

REFERENCE: Question on Notice (Hansard 2 June 2014, page 87)

QUESTION No.: BI-43

Senator RHIANNON: So you are confident that you are going to get all these people taking up these loans? Could you explain how you did the modelling that makes you so confident how this is going to work?

Mr Lalor: When we were going through the budget process we looked at other mechanisms and made some assumptions about how many apprentices are likely to take them up. That is the main basis on which the expected take-up was arrived at.

Senator RHIANNON: Could you describe what 'other mechanisms' are, and the assumptions? You said that you looked at other mechanisms and you made assumptions.

Mr Lalor: We looked at the expected take-up of other schemes that had been considered by government before—

Senator RHIANNON: Which schemes?

Mr Lalor: For example, we looked at the anticipated take-up previously of another scheme, whose name I have forgotten.

Mr Robertson: Sorry, we have a mental blank on the name.

Mr Lalor: We could provide that on notice.

Senator RHIANNON: So, more than one scheme. So there are different schemes you have looked at for their take-up rate?

Mr Lalor: We did have a look at another loans scheme. It is important to recognise that this is quite a different mechanism for supporting apprentices and trainees. There are not a huge number of other mechanisms to look at, so some assumptions did need to be made.

Senator RHIANNON: But you have said that you looked at other schemes. Is that still correct?

Mr Lalor: Yes.

Senator RHIANNON: Is there somebody here who can tell us what the other schemes are? I thought it would have been to the forefront of your considerations, considering it is such a big part of the shift in what we are talking about tonight.

Mr Lalor: I am the person who is responsible for that, and I cannot recall the name of the scheme at this point. I will have to take that on notice.

ANSWER

The Department of Industry considered a number of mechanisms in estimating the expected take up rate of Trade Support Loans. This included take up of similar schemes - the now closed Student Financial Supplement Scheme and the proposed Student Start-up Loans. A number of other factors were considered including wage rates of trade apprentices, the completion rate of apprentices, and increasing awareness of the scheme.