

**Senate Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE

**Treasury Portfolio**

Budget Estimates

2017 - 2018

**Division/Agency:** Budget Policy Division  
**Question No:** 174  
**Topic:** Skilling Australian Funding  
**Reference:** Hansard page 84-85 (29 May 2017)  
**Senator:** Leyonhjelm, David

**Question:**

Senator LEYONHJELM: I always find myself asking questions of the wrong people, so this is nothing new. Do you have any modelling as to how many apprenticeships and traineeships will be created as a result of that money being transferred to Skilling Australia?

Mr M Brennan: As I mentioned before, the budget papers mention the figure of 300,000 additional apprenticeships, traineeships and higher-level vocational qualifications as a result of the money, but that is taking into account both the money coming from the Commonwealth and the matching contribution from the states. I should mention, having consulted Budget Paper No. 2 on the levy, that the revenue raised from the levy over the forward estimates is \$1.2 billion, so that is reflecting the fact that in the 2017-18 year we are only getting one quarter's worth of revenue—\$90 million. After that it is an annual amount more like \$360 million or \$370 million.

Senator LEYONHJELM: I will inquire of the Revenue Group tomorrow as to how many positions expect to be subject to the levy. Is it 300,000 positions that could be, is it, created or subsidised as a consequence in your figures? Is that up to 300,000 new positions?

Mr M Brennan: I think it is more the latter. It is subsidised. The wording in budget paper 2 says 'The fund when matched with funding from the states will support up to 300,000 more apprentices, trainees and higher level skilled Australians over the next four years.' I would have to take on notice whether they are all people who are an addition to the stock of apprentices and trainees versus some that might otherwise be—

Senator LEYONHJELM: If you could take it on notice. My rough, back of the envelope calculations would suggest averaging out the \$1.2 billion over four years—I appreciate that there is a ramp-up there. If that works out at \$300 million per year and there are 300,000 positions that are subsidised, that works out at about \$1,000 per position—is that right?

Mr M Brennan: Yes. But as I mentioned before, the 300,000 is explicitly referencing not just the \$1.5 billion that the Commonwealth is putting in but the potentially matching money from the states. So the 300,000 is probably referring more to a funding commitment of \$3 billion over the four years.

**Answer:**

The Skilling Australians Fund will provide an estimated \$1.5 billion of Commonwealth funding over 2017–18 to 2020–21. With matched funding from the states and territories, the Fund will support up to 300,000 apprenticeships, traineeships, pre-apprenticeships and higher apprenticeships.

The number of individuals supported by the Skilling Australians Fund will depend on negotiations with the states and territories.