



**Parliament of Australia**  
**Parliamentary Budget Office**

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**Parliamentary Budget Officer**

Senator Christine Milne  
Leader of the Australian Greens  
Parliament House  
CANBERRA ACT 2600

Dear Senator Milne

Please find attached a response to your costing request on *secure TAFE funding* (letter of 14 August 2013).

The response to this request will be released on the PBO website (<http://aph.gov.au/pbo>).

If you have any queries about this costing, please do not hesitate to contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

15 August 2013



## COSTING – ELECTION CARETAKER PERIOD

<b>Name of proposal to be costed:</b>	<b>Secure TAFE funding</b>
Summary of proposal:	The proposal would provide additional funding to Technical and Further Education (TAFE) campuses across Australia. This additional funding would reverse the impact of skills shortages of TAFEs closing and cutting courses. The proposal will have effect from 1 July 2014.
Person/party requesting costing:	Senator Christine Milne, Australian Greens Party
Date costing request received:	14 August 2013
Date costing completed:	15 August 2013
Date of public release of policy:	9 August 2013
Agencies from which information was obtained:	Not Applicable

### Costing overview

This proposal is expected to decrease both the underlying cash balance and fiscal balance by \$1.2 billion over the 2013-14 Budget forward estimates period. This impact is entirely due to an increase in expenses. Funding for this proposal is ongoing and would involve additional costs beyond the forward estimates.

Departmental expenses in providing the additional funding to TAFE campuses are not expected to be significant; the costing assumes they are to be accommodated within existing departmental resources. State governments will be involved in delivering the additional funding to TAFE campuses and the costing assumes that any cost of this involvement will be met by those governments.

This costing is considered to be of high reliability. The estimates are based on a capped funding amount specified in the cost request.

**Table 1: Financial implications (outturn prices)<sup>(a)</sup>**

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-	-400.0	-400.0	-400.0
Fiscal balance (\$m)	-	-400.0	-400.0	-400.0

(a) A negative number for the fiscal balance indicates an increase in expenses in accrual terms. A negative number for the underlying cash balance indicates an increase in expenses in cash terms.

## **POLICY COSTING – ELECTION CARETAKER PERIOD**

### **Key assumptions**

As specified in the costing request, the PBO has assumed funding is split evenly across the forward estimates, commencing 1 July 2014.

### **Methodology**

The estimates are based on the capped funding amount specified in the costing request.