



Australian Government

Department of Finance

The Treasury

## PUBLIC RELEASE OF 2019 ELECTION COMMITMENT COSTING

<b>Name of proposal costed: Regional Study Hubs – 5 additional hubs</b>	
<b>Costing Identifier:</b>	COA020
<b>Summary of costing:</b>	The proposal is to invest \$15.0 million to establish 5 additional regional study hubs, including in Wangaratta, from 1 July 2019.
<b>Ongoing or Terminating (including date) <sup>(a)</sup></b>	Ongoing
<b>Person making the request:</b>	Prime Minister
<b>Date costing request received:</b>	9 May 2019
<b>Date of public release of policy:</b>	10 May 2019
<b>Date costing completed:</b>	15 May 2019
<b>Additional information requested (including date):</b>	On 10 May 2019, Finance sought additional information on whether the costing should include a change to the number of Commonwealth Supported Places, consistent with the announcement of the Liberal's Plan for Quality Education.
<b>Additional information received (including date):</b>	On 11 May 2019 it was confirmed that the capped funding outlined in the costing request would fund costs associated with establishment of the Regional Study Hubs, as well as any additional allocation of Commonwealth Supported Places. A competitive grant application round will be used to select the provider of each of the hubs (and, in the case of four of the hubs, the location). As part of the competitive grant application process, proponents would identify the funding proposed to establish a hub as well as any additional Commonwealth Supported Places proposed to support the hub. The award of funding for the hubs, including funding required for the allocation of any additional Commonwealth Supported Places, will be made within the capped funding amount.

(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program).

Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

### Financial Implications (outturn prices) <sup>(b)</sup>

Impact on	2018-19	2019-20	2020-21	2021-22	2022-23
Underlying Cash Balance (\$m)	0.0	-3.8	-3.8	-3.8	-3.8
Fiscal Balance (\$m)	0.0	-3.8	-3.8	-3.8	-3.8

Note: Totals do not sum to \$15.0 million due to rounding.

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

**Where relevant, state that the proposal has been costed as a defined or specified amount.**

The proposal has been costed as a specified amount.

**Where relevant, include separate identification of revenue and expense components.**

Not applicable.

**Where appropriate, include a range for the costing or sensitivity analysis.**

Not applicable.

**Qualifications to the costing (including reasons for the costing not being comprehensive).**

Not applicable.

**Where relevant, explain effects of departmental expenses.**

Consistent with the costing request, the costing assumes that departmental expenses associated with the policy will be absorbed by the Department of Education and Training.

**Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.**

Not applicable.

**Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).**

Not applicable.

**Where relevant, include an explanation of the medium term implications of the proposal<sup>(c)</sup>.**

The costing assumes ongoing funding from 2023-24 for any operational costs of the hubs will be indexed in line with the Consumer Price Index, consistent with parameters for the existing *Improved Support for Regional Universities* sub-program. The costing also assumes that indexation of Commonwealth Supported Places (CSPs) would be in line with the *Higher Education Support Act 2003* and current policy settings consistent with the approach for existing Regional Study Hubs.

(c) Information on the medium term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period.

## Background information

### Costing methodology used:

- **Costing techniques**

The costing assumes that, consistent with the policy:

- any funding provided to establish Regional Study Hubs or to support any additional CSPs will be made within the capped funding amount;
- five new Regional Study Hubs will be established including one Hub at Wangaratta, commencing in 2019-20, with the provider of each Hub to be selected through a competitive grants application round; and
- proponents would identify any CSPs proposed to support the Hubs as part of the competitive grants application process. Consistent with parameters for the existing policy, the costing assumes that any funding provided for CSPs would be provided as a contribution from the Commonwealth through the Commonwealth Grant Scheme and a student contribution through Higher Education Loan Program (HELP), consistent with the *Higher Education Support Act 2003*.

- **Policy parameters**

Not applicable.

- **Statistical data used**

Not applicable.

### Behavioural assumptions used (as appropriate)

Not applicable.