

APPENDIX C – PRO-FORMA REQUEST FOR COSTING AN ELECTION COMMITMENT¹

Name of policy	Regional Student Access to Education Package
Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party):	Prime Minister
Date of public release of policy:	22 June 2016
Date of request to cost the policy:	23 June 2016
Summary of policy (please attach copies of relevant policy documents):	<p>The Regional Students Access to Education Package includes 4 elements:</p> <ul style="list-style-type: none"> • Reducing the period students need to be employed under the self-supporting criteria from 18 months to 14 months under Youth Allowance and ABSTUDY living allowance for regional and remote students. This measure will commence in the 2017-18 financial year. • 1,200 new Rural and Regional Enterprise scholarships for undergraduate, postgraduate and vocational education students to undertake STEM studies. This measure will commence in the 2017-18 financial year. • An additional capped \$44.7 million over the forward estimates towards isolated children, including increasing the existing Assistance for Isolated Children's (AIC) Additional Boarding Allowance by 50% commencing 1 January 2017. • An independent comprehensive review into equity of access, aspiration and achievement of rural and regional students to seek fresh ideas and fresh thinking to bridge the divide, to be funded out of existing departmental resources.
Intention of policy:	To provide additional support to students who are geographically isolated and must attend education away from their principal family home, as well as STEM scholarships.
Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office	This policy has not been submitted to the PBO.

¹ An electronic version of this pro-forma can be found at www.electioncostings.gov.au/templates.

Description of policy (please note that, where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)

What are the key assumptions that have been made in the policy including:

<p>Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies.</p>	<p>Yes, the four elements of the package are as listed above.</p>
<p>Where relevant, is funding for the policy to be demand driven or a capped amount?</p>	<p>There are components that are demand driven:</p> <ul style="list-style-type: none"> - The self-supporting criteria for Youth Allowance and ABSTUDY; and <p>There are components that are capped:</p> <ul style="list-style-type: none"> - Rural and regional enterprise scholarships. - \$44.7 million over the forward estimates for isolated children, including increasing the existing Assistance for Isolated Children's (AIC) Additional Boarding Allowance by 50%. - The independent review is capped at zero cost.
<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	<p>No.</p>
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>No.</p>

Description of policy (please note that, where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)

**What are the key assumptions that have been made in the policy including:
(continued)**

<p>Does the policy relate to a previous budget measure? If yes, which measure?</p>	<p>No</p>
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<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the programme? Will funding/cost require indexation?</p> <p>If yes, list factors used.</p>	<p>N/A</p>
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	<p>It is estimated that the package will have a negative impact on the underlying cash balance and fiscal balance.</p> <p>The policy to assist isolated children, including increasing the existing Assistance for Isolated Children's (AIC) Additional Boarding Allowance by 50% commencing 1 January 2017, is capped at \$44.7 million.</p> <p>The independent review will have nil impact on underlying cash and fiscal balance.</p> <p>The other policies in the package are assumed to have a negative impact on the underlying cash and fiscal balance.</p>
<p>What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?</p>	<p>N/A</p>
<p>Has the policy been costed by a third party?</p> <p>If yes, can you provide a copy of this costing and its assumptions?</p>	<p>No.</p>
<p>What is the expected community impact of the policy?</p> <p>How many people will be affected by the policy?</p> <p>What is the likely take up?</p> <p>What is the basis for these impact assessments/assumptions?</p>	<p>More regional and remote students will work in order to become self-supported and qualify for Youth Allowance and ABSTUDY; more students will have a single gap year and therefore more likely to attend University; more students from regional areas will study STEM subjects and be better equipped to access STEM based jobs.</p>
<p>NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.</p>	

Administration of policy	
<p>Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?</p>	<p>The Department of Education will administer the STEM scholarships.</p> <p>The Department of Social Services will administer the changes to Youth Allowance, Abstudy and the Assistance to Isolated Children's Additional Boarding Allowance. Department of Human Services will make the payments.</p>
<p>Should departmental expenses associated with this policy be included in this costing?</p> <p>If no, will the Department be expected to absorb expenses associated with this policy?</p> <p>If yes, please specify the key assumptions, including whether departmental costs are expected with respect to programme management (by policy agencies) and additional transactions/processing (by service delivery agencies).</p>	<p>Any departmental expenses associated with this package should be absorbed by the relevant departments.</p>
<p>Intended date of implementation.</p>	<p>Various. The first policy commences in the 2016-17 fiscal year.</p>
<p>Intended duration of policy.</p>	<p>Ongoing, subject to review in 2019-20.</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	<p>No</p>
<p>List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).</p>	<p>N/A</p>
<p>Are there any other assumptions that need to be considered?</p>	<p>No.</p>