



## Policy costing

Teaching bursaries	
Party:	Australian Labor Party
Summary of proposal: This proposal would establish a bursary program to encourage high-performing students to enter initial teacher education. Under the program 500 bursaries would be provided in 2020, 1,000 bursaries in each year from 2021 to 2030. Each bursary would be valued at \$10,000 a year. <ul style="list-style-type: none"><li>• Bursaries would be available to students with high academic performance in Year 12 who are entering initial teacher education, or to those entering postgraduate teaching qualifications in areas of high demand (primarily maths and science).</li><li>• 10 per cent of bursaries would be for those entering postgraduate teaching qualifications in areas of high demand (primarily maths and science).</li></ul> Bursaries will be fully payable to recipients on the census date of 31 March each year. Bursary payments would be non-taxable income for income tax purposes and would not be included as part of the student payment income test. The proposal would have effect from 1 January 2020.	

## Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by \$35 million over the 2019-20 Budget forward estimates period. This impact entirely reflects an increase in administered expenses over this period.

The proposal would be expected to have an ongoing impact beyond the 2019-20 Budget forward estimates period.

The proposal would not be expected to require additional departmental expenses as it relates to an existing function of the Department of Education and Training. The financial implications of this proposal are sensitive to the assumption that all bursaries would be allocated.

**Table 1: Financial implications (\$m)<sup>(a)</sup>**

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	-5	-10	-10	-10	<b>-35</b>
Underlying cash balance	-5	-10	-10	-10	<b>-35</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

## Key assumptions

The Parliamentary Budget Office has assumed that all bursaries would be paid out each year.

## Methodology

The financial implications were calculated by multiplying the number of bursary places by the value of each bursary, as specified in the proposal.

All estimates have been rounded to the nearest \$1 million.