



9 August 2010

Our Ref: OP17

RELEASE OF COSTING OF ELECTION COMMITMENT

The Secretary to the Department of Finance and Deregulation today released the following election commitment costing under the *Charter of Budget Honesty Act 1998*:

Discontinue the Digital Education Revolution as announced by the Opposition.

This costing was completed consistent with the *Charter of Budget Honesty: Costing Election Commitments* guidelines which are available on www.electioncostings.gov.au.
A copy of the completed costing is attached.

A handwritten signature in black ink, appearing to read 'D Tune'.

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
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PUBLIC RELEASE OF 2010 ELECTION COMMITMENT COSTING

Summary of costing:	The Coalition would cease funding for the Digital Education Revolution.
Person making the request:	Leader of the Opposition
Date of request:	30 July 2010
Name of policy to be costed:	Discontinue the Digital Education Revolution
Date of public release of policy:	19 May 2010
Costing request provided by the Prime Minister/Leader of the Opposition:	Leader of the Opposition
Additional information requested (including date):	N/A
Additional information received (including date):	N/A

Financial implications (outturn prices)^(a)

Impact on	2010-11	2011-12	2012-13	2013-14
Underlying Cash Balance (\$m)	42.7	200.0	200.0	200.0
Fiscal Balance (\$m)	42.7	200.0	200.0	200.0

(a) 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.

Not applicable.

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.

Not applicable.

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.

The estimated saving in this costing is \$57.3 million lower in 2010-11 than in the costing request due to payments of \$7.3 million made in July 2010 and \$50.0 million to be paid on 16 August 2010 for milestones achieved in July 2010.

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

Not applicable.

Background information

Costing methodology used:

The costing has been calculated as the provision in the forward estimates for the Digital Education Revolution program less expenditure that has already been made or is expected to be made in July and August 2010. Advice on current year expenditure was received from the Department of Education, Employment and Workplace Relations.

Behavioural assumptions used (as appropriate).

Not applicable.