



Establishing 12 new Australian Technical Colleges	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would establish a new national network of 12 Australian Technical Colleges (ATC).</p> <p>The colleges, with at least one in each state, will offer a hybrid of apprenticeships, traineeships and academic courses for students from years 10 to 12. It will be operated in partnership with private companies and not-for-profits. Some of the colleges will use existing facilities.</p> <p>There would be 6 ATCs established per year, with construction commencing on 1 July 2025.</p>	
<p>Additional information (based on further advice provided):</p> <p>The Commonwealth would contribute 50% towards the establishment costs.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$261 million over the 2025-26 Budget forward estimates period (see Table 1). These impacts are driven by an increase in both administered and departmental expenses for capital and operating costs for the new technical colleges.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Establishing 12 new Australian Technical Colleges – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-125.8	-130.2	-2.3	-2.4	-260.7
Underlying cash balance	-125.8	-130.2	-2.3	-2.4	-260.7

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

(b) PDI impacts are not included in the totals.

- Indicates nil.

Uncertainties

The financial impacts of this costing are uncertain and are subject to assumptions around:

- The timing and cost for the construction of each technical college.
- The final location of each college, which may impact ability to attract students, location loading differences and state and territory share funding differences.
- The proportion of colleges that are government operated and non-government operated.

- Enrolments in each year once the colleges are operational and the size of the college for the purposes of the school size loadings.

Enrolments in the ATCs would be influenced by a variety of factors including competing training and education pathways, awareness of the ATCs, perceived curriculum attractiveness and location of the ATCs. The Parliamentary Budget Office (PBO) has not quantified a net increase in student enrolments due to these uncertainties. It is estimated that any net increase in student enrolments and/or change in retention rates would be minimal.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- There would be sufficient land made available and capacity within the building industry to construct 6 new technical colleges each year.
- Student enrolments will be capped at 300 per college and each ATC would therefore receive the maximum school size loading¹.
 - Capacity for 300 at each college is consistent with the size of the colleges announced in the *Realising Our Potential – Australian Technical Colleges* measure in the 2007-08 Budget².
 - There would not be a material increase in the total number of students attending a secondary school equivalent institution. These colleges would primarily substitute students from other schools, such that there would be no student-based loading increases.
- Half of the technical colleges would be government operated, and half would be non-government operated.
 - There would be suitable private operators available and prepared to operate the non-government colleges.
- State and territory governments would agree to support the program including agreeing to the construction of new technical colleges in public schools as well as recurrent school funding to the colleges in line with the current schools funding arrangement.
 - By default, states and territories currently agree to provide 80 per cent of operational funding for government schools, and 20 per cent of operational funding for non-government schools, except where bilateral agreements under the Better and Fairer Schools Agreement applies.

Methodology

The administered expenses were estimated as follows:

- The construction costs for each technical college were estimated based on the budgeted costs for 5 new technical colleges announced in the 2022-23 South Australian Budget³, and then grown by the Consumer Price Index to estimate construction costs.
 - In its 2022-23 Budget, the South Australian Government announced \$175 million of investing expenditure over 4 years for 5 new technical colleges.

¹ In its 2007 report into the original [Australian Technical Colleges Programme](#), ANAO noted that “the first five operating Australian Technical Colleges overestimated the number of students to be enrolled in 2006”, the year in which enrolments were to commence.

² Australian Government (2007), [Budget Measures 2007-08](#), accessed 15 February 2024

³ South Australia Department of Treasury and Finance (2022), [2022-23 Budget Paper 3](#), accessed 25 July 2024.

- The recurrent school funding costs were estimated using the Commonwealth School Recurrent Funding Model provided to the PBO by the Department of Education, with enrolment counts and eligibility for loadings using values as discussed in *Key assumptions*.

The departmental expenses were estimated as a proportion of the total administered expenditure for delivery of the technical colleges and their ongoing operation.

Financial implications were rounded consistent with the PBO's rounding rules.⁴

Data sources

Australian National Audit Office (2007), [Australian Technical Colleges Programme](#), accessed 8 May 2025.

Commonwealth of Australia (2007), [Budget Measures 2007-08](#), accessed 8 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Department of Education (2025), [Schooling Resource Standard](#), accessed 8 May 2025.

School Infrastructure NSW (2024), [Planning for growth: Fact sheet](#), accessed 8 May 2025.

South Australia Department of Treasury and Finance (2022), [2022-23 Budget Paper 3](#), accessed 8 May 2025.

The Department of Education provided the Commonwealth School Recurrent Funding Model as at the 2025 PEFO.

⁴ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Establishing 12 new Australian Technical Colleges – Financial implications

Table A1: Establishing 12 new Australian Technical Colleges – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
<i>Technical colleges capital costs</i>	-116.0	-119.0	-	-	-	-	-	-	-	-	-	-235.0	-235.0
<i>Recurrent school funding - size loading</i>	-	-1.1	-2.2	-2.3	-2.4	-2.5	-2.5	-2.6	-2.7	-2.8	-2.9	-5.6	-24.0
Total – administered	-116.0	-120.1	-2.2	-2.3	-2.4	-2.5	-2.5	-2.6	-2.7	-2.8	-2.9	-240.6	-259.0
Departmental													
<i>Department of Education</i>	-9.8	-10.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-20.1	-20.8
Total (excluding PDI)	-125.8	-130.2	-2.3	-2.4	-2.5	-2.6	-2.6	-2.7	-2.8	-2.9	-3.0	-260.7	-279.8

(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 negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Establishing 12 new Australian Technical Colleges – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-2.8	-8.6	-11.9	-12.5	-13.2	-13.9	-14.6	-15.4	-16.2	-17.1	-18.1	-35.8	-144.3
Underlying cash balance	-2.1	-7.1	-11.0	-12.3	-13.0	-13.7	-14.4	-15.2	-16.0	-16.9	-17.8	-32.5	-139.5

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary⁵.

(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 negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

⁵ [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://www.pbo.gov.au/online-budget-glossary)