



Fee free TAFE – redirect	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would reverse the Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25 measure <i>Building Australia's Future – Free TAFE</i>¹ which would fund 100,000 free TAFE places per year from 2027.</p> <p>The proposal would be ongoing and start on 1 July 2025.</p>	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$431 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in administered expenses.

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: Fee free TAFE – redirect – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	83.0	171.0	177.0	431.0
Underlying cash balance	-	83.0	171.0	177.0	431.0

(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.

Methodology

The Department of Employment and Workplace Relations provided the funding profile for the *Building Australia's Future – Free TAFE* MYEFO 2024-25 measure.

Financial implications were rounded consistent with the PBO's rounding rules.²

¹ MYEFO 2024-25 measure: *Building Australia's Future – Free TAFE*: The Government will provide \$253.7 million over 2 years from 2026–27 (and an additional \$1.4 billion from 2028–29 to 2034–35) to fund 100,000 Free TAFE places per year from 2027, page 244 [Mid-Year Economic and Fiscal Outlook 2024–25](#).

² <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Data sources

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

Commonwealth of Australia (2024) *Mid-Year Economic and Fiscal Outlook 2024-25*, Commonwealth of Australia.

The Department of Employment and Workplace Relations provided information on the *Building Australia's Future – Free TAFE* MYEFO 2024-25 measure.

Attachment A – Fee free TAFE – redirect – Financial implications

Table A1: Fee free TAFE – redirect – 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													
<i>Administered</i>													
<i>Free TAFE payments</i>	-	83.0	171.0	177.0	183.0	189.0	196.0	202.0	209.0	216.0	223.0	431.0	1,849.0
Total – expenses	-	83.0	171.0	177.0	183.0	189.0	196.0	202.0	209.0	216.0	223.0	431.0	1,849.0
Total (excluding PDI)	-	83.0	171.0	177.0	183.0	189.0	196.0	202.0	209.0	216.0	223.0	431.0	1,849.0

- (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 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: Fee free TAFE – redirect – 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
<i>Fiscal balance</i>	-	1.8	7.5	15.6	24.2	33.6	43.7	54.7	66.4	79.1	92.7	24.9	419.3
<i>Underlying cash balance</i>	-	1.4	6.1	13.6	22.1	31.3	41.2	51.9	63.5	75.9	89.3	21.1	396.3

- (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 glossary³.

- (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.

³ [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)