



Labor's **FAIRER PLAN**

The Liberals' plan for \$100,000 degrees will hurt Australians across the country, but Labor has a fairer plan for our universities.

A Shorten Labor Government will:

1. Increase the number of students completing their study by 20,000 graduates a year from 2020.
2. Deliver more information for parents and students so they can make good decisions about university.
3. Introduce a new Student Funding Guarantee to remove the need for higher fees and a lifetime of debt.
4. Invest \$31 million to boost the quality of teaching and resources in our universities.
5. Establish an independent Higher Education Productivity and

Performance Commission to ensure graduates meet the needs of the future economy.

6. Offer a Startup Year at university to young Australians looking to start their own enterprise.
7. Boost the number of young Australians taking up STEM courses at university as well as upskilling 25,000 teachers.

Only Labor is committed to investing in higher education to create and sustain the jobs of the future.

Investing in education is the single most important thing we can do to maintain Australia's prosperity and secure the jobs of the future.

Labor has always been committed to opening access to higher education to more Australians and supporting universities as critical drivers of innovation across the economy.

A Shorten Labor Government will build on this record – not just because it is the fair thing to do, but because our future prosperity depends on it.

The economic case for reform

Australia is at an important economic juncture. The mining construction boom has passed and annual economic growth has consistently been below-trend under the Liberals. We face rising unemployment, falling business and consumer confidence, weak business investment, flat wages growth and living standards are falling.

At the same time, we are facing a major economic transformation driven by trends as diverse as the rapid increase in the size of Asia's middle class, climate change, an ageing population, technological change and digital disruption and the rise of women through the institutions of power. These challenges and opportunities are reshaping our economy and our outlook.

Now, more than ever, our economy needs to step up to seize the opportunities of arising from this economic transformation and

improve our competitiveness through innovation, productivity and creativity.

Education is an essential source of economic growth. It is vital for lifting living standards, upskilling our workforce and creating new industries, opportunities and jobs here in Australia.

Australia recently completed its 24th year of continuous economic growth. This was possibly because of hard won micro-economic reforms and investments in our human and physical capital base. But we can never afford to stand still. We need to replicate the success of previous Labor Governments – lifting productivity, growing investment, creating jobs and building new sources of growth.

To achieve this, we must tap into our nation's best resource: the skills and creativity of our people. Investing in universities is an investment in our national productivity – and our international competitiveness.

Two in every three jobs created in the future will require a university degree, and so we need to be building the workforce of the future today. The role of Government should be improving access to higher education, not putting walls around our universities through a massive debt burden.

In 2013, the Australian Workforce and Productivity Agency found that every extra dollar invested in tertiary education would on average grow the economy by \$26 within the decade. The OECD estimates the real rate of return to the Australian government from investing tertiary education is more than 13 per cent.

When we invest in human capital, we are preparing Australians for a future they control – and embrace. Because, in the future, economic growth will be more organic, less structured, and driven by individuals.

The opportunities are immense, and we should be optimistic. But the opportunities need to be seized. Our universities are the core of our future economy, the driver of innovation, growth and the jobs of

the future.

Australia needs the right plan to deliver a flexible, well-educated workforce that can continually adapt to change and exploit uncertainty to our advantage.

Labor's commitment

Labor will put our nation's future prosperity first. That means investing in our universities, not saddling students with \$100,000 degrees and decades of debt.

We will ensure that universities are productive, equitable and accessible – educating the next generation for the jobs of the future.

Improving access, better supporting our students and improving education quality is central to Labor's plan for the future.

Labor is the party of education, and expanding opportunity to higher education. Because of Labor's reforms, an additional 190,000 students are enrolled at university today.

Labor will continue the demand driven system and ensure that access to university remains a matter of hard work and good marks, not your bank balance.

But we will also do more to ensure that every student gets the opportunity to succeed, not just enrol.

That is why Labor is announcing five point reform plan to maintain Australia's prosperity and ensure we deliver the jobs of the future.

1. No \$100,000 degrees

Labor will continue to fight the Liberals' \$100,000 degrees and will not deregulate fees for undergraduate students.

Immediately on coming to office, a Shorten Labor Government will move to reverse any cuts to undergraduate student funding that the Liberals succeed in getting through the Senate.

Where Labor seeks to invest more in our students, the Liberal Government only want to cripple students with massive debts.

A Shorten Labor Government will introduce a new Student Funding Guarantee to provide certainty to universities and remove the need for higher fees.

Under a Shorten Labor Government, average funding per undergraduate student in 2018 will be more than \$11,800.

From the 2018 academic year, this will boost per student funding by more than 27 per cent or \$2,500 per student, per year, compared with the Liberals' plan.

By 2026, Labor's student funding guarantee will see universities more than 40 per cent or \$4,000 better off per student each year in government funding compared to the Liberal Government's policy.

On average, over the next decade, a Shorten Labor Government will invest an additional \$9,000 in each student's education for a standard 3-year degree.

This additional investment will ensure that students are encouraged rather than deterred from studying at university, improving the productive capacity of our economy.

To provide certainty and confidence to a sector that is vital to maintaining Australia's prosperity, Labor will legislate the Student Funding Guarantee, and index the funding to ensure the value of the contribution isn't eroded over time.

2. Drive Quality and Completions

Enrolment at university isn't an end in itself.

The previous Labor Government opened access to university – 190,000 more students are at university today as a result of our reforms.

Access will always matter to Labor – and we will continue to support

the demand driven system. But our next wave of university reform will focus on completion and quality.

We want Australian students who start university – to finish university with a degree.

Department of Education figures show that 23 per cent of people who started a degree as full-time students in 2006 had not completed it after eight years.^[1]

There is evidence that attrition rates have been getting worse in recent years, meaning even more students are likely to leave university with a debt but no degree.^[2]

With the Commonwealth investing \$14 billion of taxpayers' money in universities every year, Australians are right to expect outcomes that benefit the entire community; young Australians graduating as teachers, nurses, doctors, engineers and scientists enhancing our society and our economy.

A Shorten Labor Government will set an ambitious goal to increase the number of students completing their study by 20,000 graduates per year from 2020.

Labor will work with the university sector to ensure that incentives within the demand driven system are introduced to achieve this goal.

And because students need to graduate with skills, knowledge and resilience for their working life, not just mark their name off at class, a Shorten Labor Government will invest an additional \$31 million in Tertiary Education Quality Standards Australia.

The boost to TEQSA will lift the quality of teaching and resources to ensure that students graduate with a high quality education that will win them the jobs of the future.

This additional investment will provide the assurance that our investment in higher education is achieving the right outcomes, for students as well as our economy: highly skilled, highly adaptable,

technology literate graduates ready to compete in the world.

3. Increase Access and Diversity

More students are studying at university than ever before in Australia, but we need to do more to ensure that all Australians have access to a university education.

In Government Labor set ambitious targets to boost access to a university, particularly among under-represented groups. And we backed these targets up with increased funding to universities to ensure that these students were supported during their studies.

Today, we are on target so that by 2025, 40 per cent of Australians under 35 will have a bachelor's degree.

Labor's also set a target that by 2020, 20 per cent of students from disadvantaged families would go to university. There has been significant progress towards meeting this target, but there is more work to do.

Our ambition is to remove all barriers to higher education. This means improving access for:

- Low income students
- Students from rural and regional areas
- Indigenous Australians, and first generation migrants
- Students with disabilities and other students from disadvantaged backgrounds

To achieve this, an elected Labor Government will replace the existing Higher Education Participation Program and introduce a **Higher Education Access and Growth Strategy** to lift equity and improve student outcomes, including completion.

Students from low-income backgrounds and from rural and regional Australia are significantly less likely to complete university than their better off metropolitan counterparts.

The eight-year completion rate for low-SES students commencing

in 2006 was less than 67 per cent, while only 68 per cent of students from regional Australia completed. This compares with an overall average completion for full-time students of 77 per cent.^[3]

A Shorten Labor Government will seek to close this gap.

Student grouping	Completed (in any year)
National Total (domestic bachelor students)	72.1
Indigenous	45.2
Low SES	66.5
Metro	73.4
Regional	67.7
Remote	58.8

Source: Department of Education, Completion Rates of Domestic Bachelor Students - A Cohort Analysis, 2005-2013, February 2015

The Higher Education Access and Growth Strategy will put in place incentives, in addition to base funding, to improve diversity and improve outcomes for disadvantaged students.

4. Improve readiness for the labour market

Studying at university should open the door to a well-paying career. For that to occur, universities must be responsive to labour market pressures and educate students for growth areas in the economy.

Labor will continue to support the demand driven system, but universities should be better attuned to the future labour market, and the needs of employers. Improvements in access to big data and advanced analytics capabilities will assist in developing better labour market profiles and forecasting skills needs.

A Shorten Labor Government will work with our universities, industry and science agencies to get the incentives right to meet the needs of the future economy.

From skill shortages in key occupations to productivity-driving opportunities in new industries, universities will be encouraged within the existing funding system to be more responsive to drivers of growth.

- This builds on Labor's announcement to prioritise study in Science, Technology, Engineering and Mathematics (STEM). We know that STEM educated students are vital to our future economy, and so we need to structure the incentives accordingly.
- Labor will also offer to write off the HECS debts of 100,000 students who complete a STEM degree at university.

But this is just a start.

In consultation with universities, Labor will establish an independent *Higher Education Productivity and Performance Commission* to drive these labour market outcomes.

Similar Commissions are common in other developed economies; in the United Kingdom, New Zealand and Hong Kong, and provide good examples of best practice for Australia to consider.

The current arrangements between the Commonwealth and universities have not always worked as well as they could, or in the way they were intended.

Representing a \$14 billion a year investment, Australian taxpayers are entitled to demand that their hard-earned money is delivering the highest standards of teaching and learning, for the benefit of

individual students as well as our society and our economy.

Labor recognises this, and that is why a Shorten Labor Government will work with the sector to uphold a focus on accountability and performance, and to lift productivity in our universities.

5. Better Informed students and parents

The success of our students starts with choosing the right course, at the right university.

There is an obligation on government to assist students in making informed choices upon entering university.

From the final years of high school, to applying for courses at university, we must do more to ensure that students and parents decisions have the information they need to make good decisions. With the demand driven system similar to a marketplace for students and course offerings, government should ensure that students are well-informed consumers.

Before enrolling for a degree, students should have access to information like the average salary is upon graduation, and career opportunities upon graduation.

There are many opportunities to leverage digital technology and a Shorten Labor Government will engage Australia's burgeoning start-up industry in this process.

The Government has recently launched the Quality Indicators for Learning and Teaching website (www.qilt.edu.au). Labor welcomes this reform, but we believe that there is more that can be done to improve the depth of information, and user experience.

More informed students and parents will mean better decisions and ultimately improved outcomes.

A similar approach has recently been announced in the United States by President Obama in the form of a College Scorecard.^[4]

Labor is committed to ensuring that students have the best information available when deciding to enrol into a specific course and will work with students, parents, universities, professional career counselling bodies and business to embrace new technology and forms of transparency.

Approach to reform

Our economic future relies on our higher education system being properly resourced and producing quality graduates.

It will take consultation to ensure that we get it right.

That is why Labor will undertake a detailed consultative process with students, universities and their staff, business and others in the community to undertake these reforms.

We will start this process from Opposition so that we are able to hit the ground running in government. On coming to government, Labor will initiate a targeted Green Paper-White Paper process to finalise the implementation of our reform objectives.

Investing in Higher Education is good for the economy

Investing in our universities is one of the most important things we can do to maintain Australia's prosperity and ensure we deliver the jobs of the future.

This package is a win for all Australians and will boost our economic prospects.

The OECD has found that Australia already has the second best return on investment in higher education of all the OECD nations.

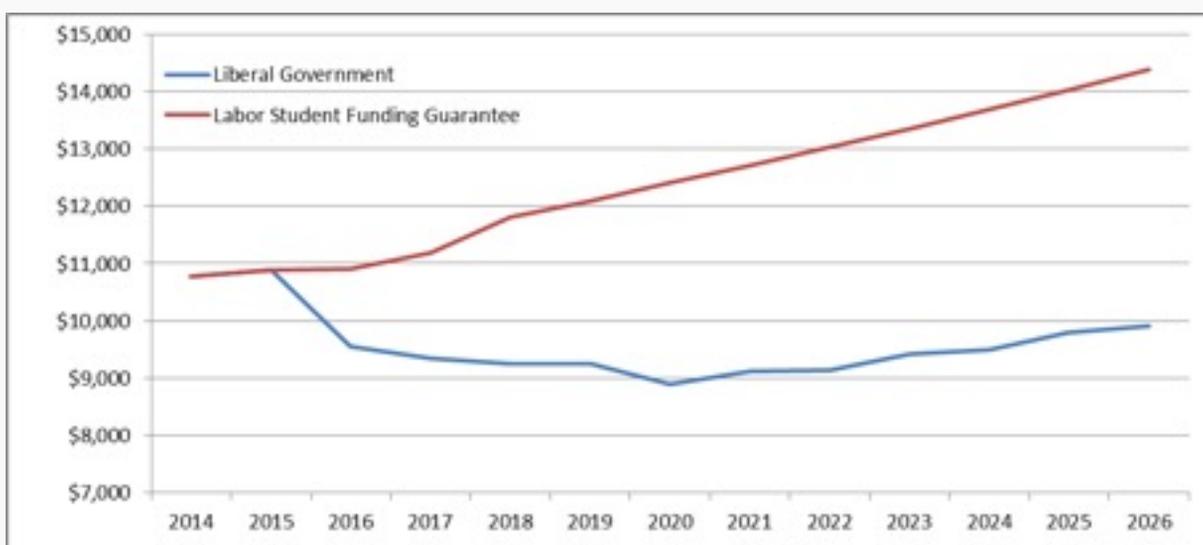
For every extra dollar Australia spends on a university student's education, the average return is twenty six dollars.

The economic case is emphatic.

Investing in Higher Education is good for students

To provide certainty to students and universities, the Student Funding Guarantee will boost per student funding by more than 27 per cent or \$2,500 per student, per year.

By 2026, Labor's student funding guarantee will see universities more than 40 per cent or \$4,000 better off per student each year in government funding compared to the Liberal Government's policy.



On average, over the next decade, a Shorten Labor Government will invest an additional \$9,000 in each student's education for a standard 3-year degree. This additional investment will fund better outcomes, without \$100,000 degrees.

Course (duration)	Cost of degree under Labor	Cost of degree under Turnbull*
Dentistry (5 years)	\$52,615	\$148,620
Vet Science (5 years)	\$52,615	\$131,580
Medicine (5 years)	\$52,615	\$125,155

Law (4 years)	\$42,092	\$86,024
Engineering (4 years)	\$35,948	\$51,872
Commerce (3 years)	\$31,569	\$63,915
Science (3 years)	\$26,961	\$50,337
Education (4 years)	\$25,224	\$48,312
Humanities (3 years)	\$18,918	\$49,587
Nursing (3 years)	\$18,918	\$36,867

**Based on NATSEM modelling.*

Labor's record

There are 750,000 undergraduate students at Australian universities today and one in every four of them is there because of Labor:

- We put 190,000 more students on campus.
- We boosted Indigenous student numbers by 26 per cent.
- We boosted regional student numbers by 30 per cent.
- We have more than 36,000 extra students from low income families in universities, compared to 2007.

Labor boosted universities' real revenue per student, including government and student contributions, by 10 per cent. That's an extra \$1,700 for universities to spend on quality teaching for every

student.

Overall, Labor lifted Government investment in universities from \$8 billion in 2007, to \$14 billion in 2013.

The Liberal Government's record

The Liberal Government has the wrong plan for Australia.

By introducing \$100,000 degrees, they will erect walls around education. It is hard to imagine a more economically myopic decision than to tilt the board against Australian kids getting a better education.

The Liberal Government's policies will see Australia fall behind, committing us to a lower standard of living and lower incomes.

Deregulation and \$100,000 degrees will shut the door on students and our future economic prosperity.

Expert opinions on the Liberal Government plan:

"... deregulation will inevitably lead to much higher fees for our students."

"Over time, full fee deregulation will lead to a higher education system characterised by the 'haves' and the 'have nots'." — Professor Linda Kristjanson, Vice-Chancellor, Swinburne University (Email to staff, 27 May 2014)

"I want the best students, not only those who can afford to pay. It's the ordinary Australians that I think aren't getting enough of a guernsey in this conversation." — Professor Michael Spence, Vice-Chancellor, University of Sydney (SMH/Age 22 May 2014)

"There are grave risks here. Universities are being asked to set fees in an unprecedented market environment." — Professor Sandra Harding, Former Chair, Universities Australia (The Australian, 21 May 2014)

"Is it really worth a couple of Australian universities getting very

slightly better – and there will never be an Australian Harvard – at the cost of the remainder becoming very much worse?” — Professor Greg Craven, Vice-Chancellor, Australian Catholic University (The Australian, 28 May 2014)

“Fees will go up and they will go up quite significantly.” — Professor Bruce Chapman, Architect of HECS (SMH, 15 May 2014)

Financial Implications and Offsets

The net impact of Labor’s package, costed by the Parliamentary Budget Office, is \$2.5 billion over the budget forward estimates.

**numbers in table may not add up due to rounding*

The Student Funding Guarantee includes additional funding to reverse the Government’s Budget cuts.

Labor will offset this investment by not proceeding with a number of lower priority measures announced by the Government:

- Expansion of the demand-driven system to sub-bachelor places and to bachelor places at non-university higher education providers;
- Abolishing FEE-HELP and VET FEE-HELP loan fees; and
- Establishment of the Structural Adjustment Fund promised to help regional universities adjust to a deregulated system.

Labor believes that investment is better directed to the public university system, rather than increasing funding to private universities. Labor will announce further policies regarding the TAFE system and pathway programs prior to the election.

The additional expenditure will be offset, over the forward estimates and the medium-term, by existing commitments to reform the taxation of multinational entities and superannuation tax concessions, and the abolition of the Emissions Reduction Fund.

[1] Department of Education, *Completion rates of domestic bachelor*

students 2005-2013: A cohort analysis,

<http://docs.education.gov.au/documents/completion-rates-domestic-bachelor-students-2005-2013-cohort-analysis>, Table 4

[2] <http://www.theaustralian.com.au/higher-education/drop-outs-soar-as-unis-ride-enrolment-boom/story-e6frgcjx-1227467093509?sv=41d8c05be3451174d84c0cca3b2e7611>

[3] Department of Education, *Completion rates of domestic bachelor students 2005-2013: A cohort analysis,*

<http://docs.education.gov.au/documents/completion-rates-domestic-bachelor-students-2005-2013-cohort-analysis>, Table 4

[4] <https://collegescorecard.ed.gov/>

Will You Sign?

Tell Malcolm Turnbull and the Liberals that their higher education changes are short-sighted and unfair.

Add your signature >

"This government should be encouraging more people into higher education, not condemning them to a debt sentence."

MP Amanda Rishworth
Aug 13 2014

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