FED:Aussie need to be skilled at something

SYDNEY, Aug 13 AAP - Australians should consider learning a new skill to improve their chances in life, federal Skills, Jobs and Workplace Relations Minister Chris Evans says.
Senator Evans says an apprenticeship or a traineeship could improve a person's income and lifestyle.
"The reality is there's very little unskilled work left in society," Senator Evans told AAP at a launch of National Skills Week in Sydney on Monday.
"Increasingly people will need skills to get well-paying, rewarding jobs."
Senator Evans said National Skills Week, which runs until September 2, will showcase the many industries available to people of all ages.
AAP lxs/mar
FED: Govt hopeful asylum seeker bill will pass

SYDNEY, Aug 13 AAP - Workplace Relations Minister and former immigration minister Chris Evans says it's too early to be optimistic that the federal parliament will pass an amended asylum seeker bill.

The federal government has backed an expert panel's plan to break the asylum seeker policy deadlock on boat arrivals.

Following the release of the plan on Monday, Prime Minister Julia Gillard said the Labor caucus had agreed to endorse in principle all 22 of the panel's recommendations.

"Hopefully this week we will get this legislation and a proper response to some of the challenges we're confronting," Senator Evans told AAP.

"It's too early to be optimistic."

"I haven't seen the opposition's response or that of the Greens but I think we've now got a worthwhile set of recommendations."

The government has also endorsed in principle the recommendation to boost Australia's annual humanitarian intake to 20,000 from just over 13,000.

Senator Evans, who was immigration minister in the Rudd government, said the government had always intended to increase the intake.

"We've always had the aspiration of lifting Australia's intake (which) already takes more than most other resettlement countries," he said.

"But we're a country with a lot of opportunities and need for more workers and people, and I think we can do more."

Ms Gillard has indicated the government will on Tuesday introduce amendments to its offshore processing bill to enable offshore processing of asylum seekers in Nauru and Papua New Guinea, as recommended in the report.

"It's not where you process people it's how you process them, how to treat them," Senator Evans said.

"At the moment there's an incentive to get on a boat."

"This report is about how we break that incentive, treat people fairly but ensure that there's not an advantage or too large an incentive to take a dangerous journey by boat."

AAP lxs/at/mar/de
Institute a HECS fee for athletes

AUSTRALIANS who achieve a certain level of income are required to repay a proportion of the cost of their tertiary education or training. So it seems obvious that this rule should also apply to training received at elite sporting institutions.

Education and training provide public and private benefits. The repayment principle recognises the existence of private benefits, usually defined by the achievement of a defined level of income that triggers a repayment obligation. The public benefit is recognised such that repayment should apply to only a proportion of the costs.

It is often argued that few of the beneficiaries of elite sporting institutions receive a level of income from their sport that would trigger repayment obligations, so a repayment scheme would not be justified. But a separate scheme is not required; just add the sporting institutions to the existing “fee-help” list of institutions. And the obligation to repay fees should be generated by the total income received, not by the source of the income. A lawyer who takes up a career as a rock star, or a doctor who chooses to become a politician, is not relieved of the obligation of repaying their education costs.

Kim Harris, Mount Waverley
Heart dream team

THE Australian Catholic University, in partnership with the University of Melbourne, St Vincent’s Health and the O’Brien Institute, has been awarded $7.9 million to develop and introduce a range of cardiovascular research projects. The project received the funding as part of the Collaborative Research Networks program, a government initiative to foster research among higher education institutions.
THIRD DEGREE

Star athletes should repay scholarships

By ERICA CERVINI

WHAT'S more important? Sport, the arts or science? In Australia, you'd think it was sport.

If students want to study degrees to become nurses, actors, teachers or engineers they have to pay to do so. If they want to train at the Australian Institute of Sport they don’t have to shell out a cent. That’s a clear message about where Australia’s education priorities lie.

Now debate is raging about how to improve Australia’s Olympic gold medal haul. Sports officials reckon the government needs to pour more money into training athletes so the country can win its share of sporting glory.

They point to the Olympic success of countries such as Britain, China and the US, which have invested heavily in training elite athletes.

Yet there is a way to put more money into sport — make AIS students pay, as other students do, through a system modelled on the Higher Education Contribution Scheme (now called HECS-HELP). The money raised could be put back into developing more athletes and paying for coaches.

Each year the AIS hands out about 700 scholarships across 26 sports, according to the Australian Sports Commission’s 2011 annual report. With the extra money raised through HECS, more students could train at the institute and at its state-based equivalents.

The taxpayer-subsidised scholarships, reportedly worth at least $50,000 a year, provide athletes with first-class coaching, travel to and from Canberra, accommodation, food, competition travel, access to equipment and medical services, and help with education and career planning.

In 2004, Australian National University economists Bruce Chapman and Andrew Leigh recommended that the wealthiest AIS graduates pay HECS.

Chapman is regarded as the originator of the HECS idea, which was intended to help finance an expansion in the numbers of students taking university degrees.

“...to ensure that only the most successful sportspeople are taxed, we suggest fixing the threshold at an annual income of $60,000 — earnings that places them in the top 25 per cent of Australian full-time employees;” they said.
in an article in *The Age*.

In 2008, Professor Chapman told ABC radio that the most successful AIS graduates should pay HECS. He estimated that would amount to 5 to 10 per cent of athletes.

Among them would be people such as Lleyton Hewitt, a former AIS scholarship holder, who has made millions during his tennis career. Although not as wealthy as Hewitt, Elizabeth Cambage, the Australian basketballer and a former AIS scholarship holder, recently signed a $400,000 contract to play for a Chinese team for four months.

I'd argue that all AIS graduates should repay at least some of their scholarship through a scheme similar to HECS, where graduates only start repaying their government-subsidised loan once they reach an income threshold.

University students who enrolled in a four-year engineering degree this year will end up owing the government $32,200 for their course. Those doing a five-year veterinary science degree will owe $47,125. The minimum HECS repayment threshold this year is $47,195.

Some may argue that athletes have to work outside their chosen sport to make a living and therefore shouldn't be forced to repay their scholarships.

Yet university graduates find themselves in similar positions. How many graduates from the National Institute of Dramatic Arts or graduates of the Victorian College of the Arts are waiting on tables between gigs?

Even education graduates have to find other jobs if they can't find a teaching position in schools. And, if their salaries outside of teaching reach the HECS salary threshold, they still have to repay their loans.

Not all athletes are in the star category and earn large incomes, but this shouldn't disqualify them from paying back their scholarships.

If the government is going to charge students for education, then HECS is the fairest system. It's also the fairest system for AIS graduates. It is their way of acknowledging the help they have been given — and providing a mechanism to help others.

Like to comment? Go to the Third Degree blog at theage.com.au/higher
Pyne’s plan is ideological

The meeting of the minds between Mark Latham and Christopher Pyne is revealing for what it says about the triumph of ideology over evidence (“Christopher Pyne’s school lunch”, August 11-12).

As the Coalition’s education spokesperson, Pyne has made clear that a Coalition government will focus education reform primarily around teacher quality — ignoring the Gonski recommendations entirely, and channelling the blame for systemic problems on teachers and their unions.

Contrast the Australian system with that of world leader Finland. There teachers are drawn from the top 10 per cent of graduates and must complete a master’s degree in education. There is no standardised testing apart from one exam at the end of the senior high school year. There are no rankings or comparisons between schools or students. All schools are government funded and run by educators rather than managers with business experience or local politicians. Teachers spend many fewer hours in the classroom than their equivalents in Australia or the United States, instead concentrating on designing curriculum material and matching it to student needs; one in three students receive extra assistance in their first nine school years, 93 per cent of Finns graduate from high schools and 66 per cent go on to higher education. The Finnish hallmarks are equality and cooperation and overcoming disadvantaged backgrounds.

The Coalition’s policies are designed to protect funding to the private sector and if implemented would condemn many intelligent and capable students to lesser outcomes.

Is that something Australians want or should tolerate?

Jack Halliday Balaclava Vic
Mackay quartet win national vocational study prizes

FOUR Mackay students have been recognised for their efforts in vocational education and training in schools with an award of $2000 each. Kaiaj Jenkins, James McCann, Lauren Rosmalen-Brinkley and Leasha Ward were among 500 across the nation to receive the 2011 Australian Vocational Student Prize, according to Acting Minister for School Education, Senator Chris Evans.

He said the Australian Vocational Student prize recognised students who had demonstrated exceptional skills and commitment while completing a Vocational Education and Training in Schools program, or an Australian school-based apprenticeship.

All 500 winners receive $2000 and a certificate recognising their achievements.

“The prize promotes and recognises vocational education in schools as a valuable pathway for students,” Senator Evans said.

“Through their studies, winners of these awards have gained a better understanding of the workplace, and have developed industry-specific skills that will help them get work in their chosen career.”

The Australian Vocational Student Prize is the vocational equivalent of the academic Australian Student Prize, another initiative aimed at recognising the achievements of students and their schools.

“The Australian Vocational Student Prize and the Prime Minister’s Award for Skills Excellence in School are another part of the Gillard Government’s commitment to giving all Australian students world-class opportunities,” Senator Evans said.

“They are in addition to other support, including our $2.5 billion Trade Training Centres in Schools Program to help school to get an industry-standard qualification and our $4.1 million Indigenous Ranger Cadetship pilot program, which gives indigenous students culturally relevant training for jobs in their local community including land, sea and natural resource management.”

For the full list of winners visit deewr.gov.au/avsp.
Boats will keep coming until someone waves the red flag

Gerard Henderson

It’s not often that a government loses control over key areas of domestic or international policy. Yet it happens occasionally. Whitlam Labor lost control of economy policy around the middle of 1974. Attempts were made to restore economic authority but it was too late to overturn the political damage.

By the end of last year, it was evident Labor had lost control of border protection. This led the Prime Minister, Julia Gillard, to appoint the expert panel on asylum seekers in June, comprising retired defence chief Angus Houston, Paris Aristotle and Professor Michael L’Estrange, which released its report yesterday.

On the eve of the 2007 election, the then-opposition leader, Kevin Rudd, declared that if Labor was elected it would tow asylum-seeker boats back to Indonesia. Following Labor’s victory in November 2007, this was soon junked. Instead Rudd, supported by Gillard and other senior ministers, embraced a series of myths, including that asylum seekers were a product of “push” rather than “pull” factors—in other words, that persons seeking refuge arrived on Australian shores because they were desperate and not because Australia was a desirable destination.

By the end of the Coalition government, John Howard had embraced what can best be termed a “two flags” policy. There was a “red flag” out the front telling asylum seekers not to arrive by sea or air. This involved mandatory detention (introduced by Paul Keating’s Labor government) for those who made it to Australia. There was also offshore processing on Nauru or, for a time, Manus Island in Papua New Guinea and there were temporary protection visas by which refugees were given temporary residence for themselves but not their families, pending resettlement back in their homelands when, and if, the persecution they feared abated.

That was the “red flag”. The “green flag” was not waved in public. Yet, in his final term in office, Howard oversaw the virtual emptying of the mandatory detention centres. This was preceded by the release of children. (Mandatory detention of children was another initiative of the Keating government.)

At times between 2001 and 2007, the Coalition’s approach to asylum seekers was unduly harsh. But it worked. The real test is that what are now termed unauthorised arrivals almost ceased coming to Australia by boat. And few, if any, boats meant few if any drownings. But, in 2008, the immigration minister, Chris Evans, announced the dismantling of Howard’s approach to border protection.

Since then the boat arrivals—and the drownings—have increased exponentially. So far in 2012 alone, some 7500 asylum seekers have arrived by boat. This compares with 2059 arrivals during the entire seven-year period of Malcolm Fraser’s government between 1976 and 1982.

Yesterday the Houston report effectively announced a back-to-the-future approach. In his media conference, Houston acknowledged that “onshore processing encourages people to jump into boats”. Moreover, his panel proposed the re-opening of offshore processing in Nauru and Manus Islands while declining to fully endorse Gillard’s Malaysia solution.

The Houston report demonstrates just how difficult government is. It is unlikely that its recommendations, even if they are capable of rapid implementation, could work.

The problem is that, since 2008, Labor has been regarded as a soft touch by people smugglers. Once there is a perception that a government has failed on border protection, unauthorised arrivals are likely to continue. Until a new tough-minded administration comes to office and puts out a red flag.
 UNIVERSITY'S have been accused of being disingenuous by claiming to be broke as part of their campaign to deregulate student fees and be allowed to charge market price for degrees.

Tertiary Education Minister Chris Evans said university vice-chancellors were promoting increases in student fees to pre-empt a Coalition government mounting "a major attack on their funding".

Weighing in to the escalating debate between university vice-chancellors and the government on deregulated HECS fees, Senator Evans described universities as ungrateful and disingenuous.

Deregulating university fees would particularly advantage the elite Group of Eight universities such as Melbourne and Sydney, which had the status and high-visibility brands to back big price hikes. "It’s complete nonsense that universities are doing it hard," Senator Evans told The Australian.

"They’ve had their funding increased by 50 per cent since 2007. They are positioning themselves for what they see as a Liberal government attack on university funding and they are attempting to mount an argument to increase the cost borne by students."

Led by University of NSW’s Fred Hilmer, some vice-chancellors have been vocal in calling for fees to be deregulated.

Professor Hilmer told the National Press Club last month that costs were outstripping revenue and fee flexibility was also “the only economically feasible way to bring funding to more appropriate levels”.

“I wouldn’t be doing my job as a vice-chancellor if I didn’t plead for more funds. But every review of universities in recent years has found that we are underfunded and overly dependent on international-student income.”

Senator Evans said that, since Labor came to power, UNSW had seen a 73.2 per cent increase in funding for teaching and learning. "I absolutely reject the idea that they haven’t received massive additional funding out of this government."

Gavin Moodie, a policy expert from RMIT, said Senator Evans had every right to be angry with vice-chancellors crying poor. "While per student funding hasn’t returned to the peak of 1994, it has increased significantly from the trough of 2003," Dr Moodie said.

"While we accept that university vice-chancellors are strong advocates for their institutions, they are wrong to criticise Labor."

Dr Moodie said the restoration of proper indexation under Labor, which this year rose to 3.8 per cent, was a "great long-term benefit."

Senator Evans said indexation would put an extra $3 billion into university coffers over four years. Universities are not united on fee deregulation. Many vice-chancellors say higher fees would give the government room to withdraw funding commitments.

Macquarie University vice-chancellor Steven Schwartz said universities did need more money and higher fees should be in the mix. But he said there was plenty of room for more efficiencies to be made.
LABOR CAN GET MONEY FOR GONSKI BY CUTTING SUBSIDIES TO UNI STUDENTS

The system of demand-driven places with rigid fee regulation is not sustainable

JUDITH SLOAN

I AM wondering whether to run a book on the dippiest quote of the year. The hot favourite at this stage comes from the vice-chancellor of Central Queensland University.

He likened the suggestion that the subsidies paid to Australian universities for undergraduate tuition be cut to “a funding regime of which North Korea would be proud”. Ploughing on, he added that “it is unworkable for a developed nation like Australia and would make our educational performance match our gold medallally”.

This crazed discussion was prompted by the release of a report entitled Graduate Winners: Assessing the Public and Private Benefits of Higher Education, written by Andrew Norton of the Grattan Institute.

The central conclusion of the report is that tuition subsidies to Australian undergraduate university students are too high and can be reduced with little impact on enrolment levels.

Norton advocates a gradual phasing down of subsidy levels between next financial year and 2016-17, eventually creating an annual saving of about $3 billion. (Current government tuition subsidies cost $6bn a year and are rising.) This amount would fund half of the National Disability Insurance Scheme or the federal government’s contribution to implement the Gonski reforms. Not chickenfeed.

The basis of Norton’s argument is well accepted: that higher education generates both private and public benefits.

Private benefits accrue to graduates in the form of higher earnings relative to those without university qualifications. Public benefits are financial and non-financial.

Financial benefits take the form of the higher tax revenue that graduates pay thanks to higher earnings relative to non-graduates.

Sometimes referred to as the taxation externality, there is controversy over whether this effect should even be counted as a public benefit.

After all, are the higher earnings of graduates a result of their education or their abilities? And what about the non-graduates who have above average earnings and pay tax at the same rate as graduates? They have not been in receipt of large public subsidies.

The other public benefits fall into the category of the contribution that graduates make to civil society relative to non-graduates including higher rates of volunteering, lower rates of crime, better health outcomes and the promotion of political stability.

Private benefits are reasonably easy to estimate. Norton takes data from the 2006 census and compares the lifetime earnings of male and female graduates in various fields with the average of those who leave school after completing Year 12.

The fields that generate the highest private returns are dentistry, medicine, law and commerce. Those with the lowest private returns are performing arts, humanities and agriculture.

The magnitude of public benefits is more difficult to estimate. Norton estimates that the median female graduate pays $240,000 more tax than a female non-graduate. The figure for male graduates is $360,000. Not surprisingly, the largest gains in tax revenue come from the fields of study in which the private benefits are greatest: dentistry, medicine, law and commerce.

With regard to other public benefits, on the figures presented by Norton, there are not great differences in the rates of volunteering according to people’s highest level of qualification. He finds that “general non-financial public benefits of higher education exist but are not large”.

If public benefits of higher education are not large, particularly if we exclude additional tax revenue, the conclusion is that undergraduates are being significantly over-subsidised for their tuition costs. The private benefits are generally so large that even if subsidies were significantly cut, the demand for undergraduate education would be relatively unaffected. So the public benefits can be secured at a much lower cost to the taxpayer.

Care has to be taken when reaching this conclusion because it needs to apply at the margin, not just on average.

It is all very well pointing to high average rates of return, but not all graduates earn the average rate for their field. It is the marginal return that is the important variable when it comes to setting efficient tuition fees.

Norton recognises this problem by considering the point in the distribution of earnings at which demand would be affected because the expected return would be insufficient to encourage enrolment. This point varies by field of study.

One objection to the suggestion that tuition subsidies should be reduced is the possible impact on students of low socioeconomic status. Norton deals comprehensively with this issue.

It turns out that the principal barrier to participation in higher education by those from low
socioeconomic status backgrounds is school performance. For those from disadvantaged backgrounds who nonetheless do well at school, their participation in higher education is little different from those from different backgrounds but with similar school results.

The existence of HELP — the income-contingent loan arrangement that is available to all undergraduates — means that upfront fees do not create a barrier to participation in higher education. Moreover, the subsidy element in HELP is substantial, amounting to one-third of the student contribution to tuition costs. This in addition to the direct tuition subsidies paid to universities.

A further consideration is the means of phasing in lower tuition subsidies. In the short run at least, the universities’ (real) costs of delivering undergraduate courses will be unchanged, so the amount students pay to undertake particular courses, albeit generally on a deferred basis, will need to rise.

Given the benefit of local knowledge and the fact universities cater to different segments of the population, the first-best approach is to allow universities themselves to set the fees of their different courses. (For political and fiscal reasons, the government may opt to provide some upper limit to fees for which HELP can be accessed.)

Across time, we would expect to see much more innovation in course delivery methods and a wider range in the costs of delivery across universities. Some may opt, for instance, to specialise in online courses, while others may experiment with a teaching-only model and forgo research.

The present system of demand-driven places combined with rigid fee regulation is not sustainable. There is a strong case for reducing government subsidies paid for tuition costs, while increasing the students’ contribution. The money saved is desperately needed for other policy areas with higher public benefits.
PM puts on her pearls, performs a triple backflip and aims for a Pacific solution

Are we there yet? Haven’t we been here before? Still on the long and winding road to Nauru

ABC’s Insiders, December 2, 2001:
BARRIE Cassidy: When do you think the government will abandon the Pacific Solution?
Julia Gillard: I think ultimately it will abandon it when it runs out of space.

Julia Gillard, March 12, 2002:
The Pacific Solution is an expensive failure.

Gillard, April 23, 2003:
ANOTHER boat on the way, another policy failure.

Paul Maley, The Australian, February 9, 2008:
ONE of the Howard government’s most controversial policies, the Pacific Solution, ended yesterday.

ABC News, July 30, 2008:
The majority of asylum-seekers will no longer be detained under major immigration reforms described by immigration minister Chris Evans as a more compassionate approach.

Chris Bowen, October 22, 2009:
SO what’s the Liberal Party’s approach on this? Reintroduce TPVs? Send them back to Nauru? What we have done is deal with this in a sensible and humane way.

Kevin Rudd, June 23, 2010:
IF I am returned as the leader (this) government will not be lurching to the Right on the question of asylum-seekers as some have counselled us to do. . . . That’s the direction the Liberal Party would like to take us. Under my leadership we will not be going in that direction.

Robert Manne, Fairfax newspapers, December 22:
FOLLOWING Rudd’s election in 2007, a wise asylum-seeker policy would have involved leaving the Pacific Solution intact . . . No one on the Left with an interest in asylum-seeker policy — and I include myself — was far-sighted or independent or courageous enough to offer the incoming Rudd government such advice.

ABC Radio’s PM, December 22:
TIM Palmer: The federal government is now seeking the opposition’s support for a new proposed compromise on offshore processing of asylum-seekers . . . Tom, how big a departure is the government’s announcement, specifically with the inclusion of Nauru?
Tom Iggulden: A pretty big departure in short, Tim.

At war with the experts. Phil Coorey, Friday, The Sydney Morning Herald: “THE Australian community is looking at getting an answer.” Ms Gillard told the Herald: “They want compromise and they will be very disappointed if the only reaction from the Leader of the Opposition is to be once again at war with the facts and the experts.”

What the experts will say? Coorey predicts yesterday:
The expert panel Gillard convened on asylum-seekers makes public its findings (today). It is expected these findings will favour the government’s policy agenda of a hard-hitting deterrent such as the Malaysia plan. Abbott’s plan is to rebirth Howard’s “Pacific Solution”, which the experts say worked once but will not work again.

What the experts actually said. Scott Morrison yesterday:
The Houston panel has green-lighted Nauru and they have red-lighted Malaysia and the people swap in its current form.

Gosh, like the Pacific Solution? Christine Milne yesterday:
(ANGUS Houston’s proposition) is the proposition that John Howard put forward. It is the proposition that now Tony Abbott puts forward and it is the proposition that, it seems, the government will put forward.

Gillard yesterday:
WE want an outcome here, we want change. We don’t want pedantry and politics. That’s the spirit the government is taking into this.

Grace Collier tweets yesterday:
ALL we need is an expert panel in every ministerial portfolio and a few more pearl necklaces for Julia. Why didn’t we think of this earlier?