

**SPEECH BY MICHAEL LEE MP
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Thanks very much, Mary, and I am grateful to the Group of Eight for the invitation to participate in this forum. John Niland began by lamenting the fact that in the Australian political system Vice Chancellors and other respected community elders aren't given the opportunity to serve as ministers of the Crown. If you look at the American system I think Woodrow Wilson was as the only president of a university that has served as president of the United States.

While he had great hopes and dreams for his own country and the world, through the negotiations to establish the League of Nations, it was a pretty sad ending for President Wilson. He couldn't persuade Congress to adopt the League of Nations or even discharge his final days in the office as President due to poor health.

But if I am critical of the only university president who has been the President of the United States, I am not sure that President Hoover, who like me, was an engineer was much better. He was the President in the lead-up to the great depression and then Jimmy Carter, another engineer was not exactly one of the great successes of American presidents. I'm not sure that engineers have done much better over the years.

In 1988 learnt that if we can't get people to vote for trial by jury or freedom of religion in a referendum, we're unlikely to get them to vote for something as radical as university vice-chancellors serving as ministers of the Crown. John says he welcomes the fact that he won't serve as a minister for the Crown!

Alan Gilbert mentioned the intersection between the real world and the virtual reality. In some ways I've been in a slightly different real world in the last few days. I've been on Kim Beazley's bus tour of Northern New South Wales, from Newcastle to Tweed Heads. It's Kim Beazley's chance to road test some of his goals for the country, his plan for the country.

And it was something we knew was quite risky. We planned to set out on this journey a couple of days after the West Australian election was being held. Everyone expected us to fall short in Western Australia. We were sending Kim out on to a dairy farm with cow pats all over the place, we also had a risk of mooning Greenies, as happened to the Prime Minister in Victoria.

We actually did meet up with some advocates for the decriminalisation of marijuana up around Nimbin and, of course, we met some researchers and university students, not that there would be any overlap between the last two..... But it was certainly an opportunity for us to launch a few policy initiatives in areas like aged care, the dairy industry and assistance to regional universities in particular.

And it was certainly a very good opportunity for all of us to have a chance to listen to what the concerns are out there in the real world. And Lachlan McIntosh will be pleased to know that the issue that keeps coming up most frequently of course is still fuel prices, petrol prices, diesel prices, LPG prices. Almost every small business person I meet is still very upset about the BAS return.

And it is in a climate like that where it is probably no surprise that someone like Pauline Hanson or the One Nation Party is starting to revive in the lead-up to what will be a very important Federal election. Some of you know that my own electorate is on the New South Wales central coast which is a mixture of retirees and young married families. At the last Federal election One Nation got 10 per cent of the vote in my electorate. One in ten people in my electorate voted for One Nation.

Now, most of those people wouldn't agree with some of the extreme views that have been expressed by Mrs Hanson over the years but it just demonstrates once again there's a disaffection with some of the changes that are taking place in

society. So, it's very important that we work even harder to try to explain to many of the people who attempted to vote for parties or groups like One Nation why we're setting out to make some of the tough decisions that are important for the country.

I think as of right now, or within a few hours, we'll now be in a country where five out of the six states will have state Labor governments. And one of the important themes that we'll be dealing with this year is not just what we intend to do if Kim Beazley is elected Prime Minister at the end of the year, but how we intend to do it.

And having five, depending on what happens on Saturday, but having five Labor governments at least with the possibility of an election in South Australia, if not this year then next year, we think that we can certainly bring together the state Labor governments working with a Beazley Labor government to advance in a number of areas, including in education.

But we know that while traditionally I think in every election except the 1993 election there's been a swing away from the government of the day. In every election since 1966 there's been a swing away from the government of the day except for 1993. We can't assume that we're going to get there in any easy way. We know we'll have to fight for every inch of that ground.

So, I just want to first of all comment on the claim that is often made that Labor is somehow or other following the strategy that John Howard outlined in 1996. Over Christmas I read Barbara Tuchman's brilliant book "August 1914" and she writes about the German and the French generals working and planning to fight the last war. Now, Labor is certainly not planning the fight the coming war on the last war, our plans are not based on what happened in 1998 or on what happened in 1996.

If we were following that timetable, the Howard timetable in 1996, then what would happen is that Kim Beazley would deliver his first headland speech in about April and our education policy would be announced halfway through the election campaign. In fact we've released nine initiatives already in education and we intend to continue to release many initiatives between now and whenever the Prime

Minister announces the date of the election. I just want to quickly run through what they are.

The media being what it is, at this stage of the electoral cycle it is much more likely to report what government's are doing rather than policy initiatives that Opposition's announce. Last month we had the Opposition Leader announce our plan to establish the University of Australia on line and I will say more about that in a moment.

We had at our national conference announcement of our plan to double the number of research fellowships. We have also committed to two initiatives for regional universities, to improve communication links for regional universities and to establish a new pool of 400 research training places to be allocated on merit only to those regional universities.

We have also got a proposal out to improve schools, which we call education priority zones. The Federal government will work with local communities in areas of educational and social disadvantage to improve the number of students that are finishing Year 12, to try to encourage more students to think about studying at TAFE or going on to university.

We've got a plan, that I think Robyn Batterham and Mr Miles picked up, to offer scholarships to teachers so that we can try and encourage more of our best high school graduates to think about a vocation in teaching in the areas where there is a shortage. Robyn mentioned one of FASTS reports last year. The one that really disturbed me was the FASTS report on mathematics teaching. Forty per cent of students in junior secondary schools are taught mathematics by someone who hasn't had any specialist teaching in mathematics.

That's a terrifying statistic for Australians if we expect the next generation of young people to have a deep love of mathematics and a deep understanding of mathematics. Whether they are going to end up mathematics teachers or actuaries or environmental scientists or business people, students need to have a very thorough grounding in mathematics and it is terrifying that so few of our junior

secondary students are getting taught mathematics by people who have got proper training.

Under our plan we will offer scholarships that forgive their HECS debt each year that they're in teaching. More professional development for teachers to encourage the existing teachers to upgrade their skills. And also our plan to abolish the enrolment benchmark adjustment that's unfairly treated government schools.

We also a plan to establish specialist high quality content on line to encourage students at schools to pick up more information on their curriculum on line. So, let me say that they're the nine issues we've already go out there. We're not following John Howard's plan in 1996 and we'll be saying a lot more before the election date rolls around.

Let me say a few things, first of all, about the University of Australia on line and then about funding for research. Some of you might have heard, we launched a study called "Workforce 2010" a year ago which was our forecast about what was likely to happen to the Australian economy if the current trends continued for the next decade. And the Workforce 2010 study forecast that 40 per cent of the new jobs for the next decade will go to people with either a Bachelor's degree or a higher qualification.

And if we're to secure the jobs of the future then we certainly need to increase the number of graduates that we have in Australia. Our University of Australia on line has two goals. One we want to make Australia the world leader in on line education and secondly we've set ourselves the goal of having 100,000 Australian under-graduate students studying through the University of Australia on line by 2010.

We will encourage students to study on line by halving HECS for on line study. Universities will be encouraged to offer on line courses by funding a content development program to assist with the high upfront development costs and to provide a new payment to existing universities for each under-graduate Australian on line student. Now, some people have incorrectly assumed that the University of Australia on line will be a new bricks and mortar university.

It's more an institution which will be a gateway or a portal to the 38 existing public universities who will design and deliver most of the courses. Students will be able to obtain on line degrees from the primary provider university while also having access to on line units at other universities through the UAO. For Australia it means that we can market every participating university's on line courses to overseas students through the University of Australia on line brand.

The UAO will also have a quality assurance board to ensure that the high quality standards are maintained. On line study does not mean cheap and low quality. On line study does not mean simply putting lecturer's notes up on the internet. Some Australian universities are already offering high quality on line courses, mostly for post-graduate study.

The best encourage critical thinking by maximising student interaction with their lecturers, their tutors and their fellow students. Most also include some face to face component, like many traditional correspondence and distance education courses. We expect many students who will enrol through the UAO to be mature aged students or second chance students.

Being able to study when you want, where you want will open up opportunities for many people. People like parents who are raising kids at home, people like working families who can't afford to lose an income for three years and for people in regional Australia who can't afford to travel or to live on campus. Most universities already offer a bridging or pathways programs to encourage people over 25 who may not have a TER score to consider studying at university.

An important part of our plan for UAO to expand the number of under-graduate students by 25 per cent is to offer these pathway programs free of charge to encourage as many of these people as possible to consider improving their education. A key part of the content development program will be to encourage collaboration between universities and to encourage participation by private sector companies and individual projects, just like in the CRC.

And just like in a CRC the intellectual property that's created through the content that's developed and the revenue earned will be shared. The UAO is not just about improving access to tertiary students for Australians, important though that is. It is not just about enrolling overseas students through the UAO, as welcome as those extra export dollars will be.

It is about Australia leveraging its advantages in distance education and software design into a new high value industry that we believe can offer many opportunities for our country. We already have several comparative advantages in designing and delivering on line education. We're the world leader in distance education. We have a reputation for offering high quality services. We have the advantage of speaking English, which should not be underestimated in the on line world.

We have many citizens who also speak other languages. And we have excellent skills at software and multimedia design. So, we believe that the University of Australia on line is a proposal that can provide opportunities to our existing public universities to accelerate the work many of them are already doing in offering courses on line.

We not only want to ensure we're enrolling extra students on line, Australian undergraduate students, we want to ensure that we're doing everything we can to expand that content development industry here in Australia, an area where we think we have great competitive advantage.

I want to turn now to funding for research. Over the last five years decisions made by the current government have cut the Commonwealth's own investment in higher education by \$3 billion and cut incentives for private R&D by a further \$2 billion. Now, I do acknowledge Dr Kemp denies this. He had a press release out earlier this week which I'm sure would be news to all of you – claiming that at no stage since 1996 has the government cut funding for universities, they simply revised the forward estimates downwards, according to Dr Kemp.

But the point I want to make is that the Howard Government not only took \$3 billion out of higher education but the incentives for private R&D were cut by a further \$2

billion. The challenge for Australia is that over that same five year period our competitors in other countries have been increasing their investment in research and development and their investment in university teaching and research while our government has been cutting back.

The university cuts have reduced public research and the cuts to private R&D have been just as effective. The Miles and Batterham reports referred to the decline in private R&D expenditure as recorded by the Australian Bureau of Statistics. For the first time ever we've had a decline in nominal dollar private R&D expenditure and that's continued for three years.

With an election looming the Prime Minister, last month, made the welcome decision to switch the national research engines from full astern to full ahead. Well, from full astern to five per cent ahead because next year, I think, about five per cent of the funding that was announced will be allocated in the next financial year. We also have some questions for the government about how many businesses will successfully jump through enough hoops to receive the significant but welcome encouragement from the 175 per cent premium tax concession.

David Buckingham made a few comments about the changes to the other tax measures that were announced by the government with the innovation statement and no-one in this room, I am sure, would ever expect the Treasury to deliberately underestimate the revenue they will get from any changes to the tax system, however it will be interesting to note whether the government saves more than the \$345 million that they say they will get from the euphemistically named "improved treatment of R&D plant".

Last July Labor promised at our national conference an extra 130 research fellowships for early career, mid career and leading researchers, and we also offered to create the new elite scholarships which we offered to fund at \$200,000 a year for five years. In the innovation action plan the Prime Minister announced less than half that, but again we acknowledge it's a step in the right direction.

Unfortunately, we've also had five lost years. At Southern Cross University this week there was a very clear example of the impact of those lost years. At the moment scientists are not only mapping the human genome they're mapping the genomes of many organisms and one of the species that's having its genomes mapped at the moment is rice.

Australia's one of the worlds largest rice exporters. You'd expect that we'd be part of, if not a leading player, in the mapping of the rice genome. We're not a player in the mapping of the rice genome. The Japanese, the Americans and the Europeans are looking after that, which will mean that Australia will have to pay others to use the intellectual property that flows from the mapping of the rice genome.

If only Robyn's report had been implemented in 1996 rather than 2001 then perhaps those lost years wouldn't have occurred, perhaps we would've been a player in the mapping of the rice genome.

Now, one of the good things about a forum like this is that we'll agree on some things and we'll disagree on others. I couldn't speak at a forum for the Group of Eight without at least placing on record one area where we do have disagreement - and that is on the question of deregulation of fees for under-graduate students. For the record let me state once again that Labor has and will continue to oppose the deregulation of fees for under-graduate students, whether it is at some or at all universities. But I do give you this commitment and it's a commitment that Kim has been making on many occasions during the last 12 months.

We do intend to significantly increase the Commonwealth's investment in university teaching, in university research. You know that under the charter of budget honesty we don't actually know how much money will be in the surplus until the campaign is under way and we do intend to be very responsible with the commitments that we make between now and the next election.

But over coming months Kim Beazley and I will be releasing progressively our goals and our detailed proposals about the ways that we think we can meet the urgent

needs of tertiary education in Australia. For the Labor Party the best thing about the last month is that Mr Howard has moved to our ground, the knowledge nation.

For the country the best thing about the last month is that John Howard has moved to our ground, the knowledge nation. Kim Beazley said at our national conference last July that if it's a choice between who can offer the largest tax cuts or which party can invest the most in our public schools, our TAFE colleges, our universities and public hospitals, he'll be fighting to invest more in our public institutions that are so crucial to the future of the country.

This is the Centenary of Federation. Whatever mistakes the founding fathers made they picked a great name for the country, the Commonwealth of Australia. The common wealth. And what better way to celebrate the centenary of our country than to improve the common wealth by investing more in national institutions like our public universities, our public schools, our TAFE colleges and our hospitals.

Thanks very much.