

# Australia: Labor's "education revolution" to deliver for business

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During the campaign for last month's federal election, Labor and its leader Kevin Rudd promoted an "education revolution" as a central plank of its platform. Pitching to voters, Labor campaigners contrasted the Howard government's neglect of education with a series of promises—computers for school children, trade centres in schools, more money for vocational training—to make it appear that a Rudd government would address the decay of public education.

This façade began to slip shortly after Labor won office. The appointment of Deputy Prime Minister Julia Gillard to the huge combined portfolio of Education, Employment/Workplace Relations and Social Inclusion makes clear that Labor's commitment is not to the all-rounded education of students, but to providing business with the skilled labour it requires. Every aspect of education—from child care and preschool to tertiary education and research—is to be subordinated to the requirements of the labour market.

Labor's "education revolution" is not simply aimed at meeting the immediate shortages of skilled workers but at positioning the Australian economy to be more internationally competitive in hi-tech sectors and the highly profitable market for corporate services, particularly in the Asia-Pacific region.

Not surprisingly, business representatives have lent Gillard their effusive support. Interviewed on ABC's radio program "The World Today", Heather Ridout, chief executive of the Australian Industry Group, cited the "clear synergies" between Gillard's responsibilities. Minerals Council of Australia chief executive Mitch Hooke observed that the Rudd government was "looking to approximate what industry is doing", and said Gillard's appointment contained a "wow factor" for business.

Interviewed by Channel Ten's "Meet the Press", Gillard explained her combined portfolios were "all of a piece"—in other words, that "education" would be narrowly refashioned to meet the needs of the workplace. Speaking to a business conference, Gillard summed up Labor's program when she half-jokingly encouraged the audience to refer to her as the "Minister for Productivity".

In December 2006, after winning the Labor leadership, Rudd emphasised that pressing ahead with market reform was a top priority. In a major speech on January 23, he laid out his education revolution as the means for implementing the next wave of economic restructuring.

In doing so, Rudd openly embraced the record of the previous Hawke and Keating Labor governments from 1983 to 1996, insisting that Labor, rather than the Coalition under Howard, had been instrumental in implementing "reform". Labor, Rudd boasted, had "floated the Australian dollar", "deregulated the financial services sector", reformed workplace laws to allow "enterprise bargaining",

and "slashed" personal income and company tax rates.

This "first wave" of reform resulted in the greatest upward redistribution of wealth away from the working class in Australian history. The "second wave," based on the National Competition Policy Agreement drawn up by the Keating government, laid the basis for the privatisation and national integration of government-owned utilities in each of the states on an economically competitive basis.

Rudd made a definite appeal to big business, which had been increasingly critical of the Howard government for failing to maintain the "reform" momentum of the Hawke and Keating years. He pointed out that when Labor was removed from office in 1996, productivity was growing at 3.2 percent annually, but had since fallen to 2.2 percent under Howard. Between 1998 and 2005, Australian productivity fell from 85 percent to 79 percent compared to US levels.

Rudd warned that high commodity prices, particularly for exports to China, had masked the falls in productivity, and that the "resources boom" would inevitably end. With the growing "globalisation of production," Rudd asked rhetorically, "how are we to prepare to compete with China and India who are producing millions of university graduates each year?"

Rudd's answer was a promise to launch "a third wave of economic reform"—"a human capital revolution, an education revolution, a skills revolution".

Labor's policy document, "Skilling Australia for the Future", is directly based on several key industry studies. The Australian Chamber of Commerce and Industry warned that the deficit of skilled workers, which according to government data will reach 240,000 by 2016, was the biggest constraint facing business. The Australian Industry Group in its paper, "It's Crunch Time", identified "526,000 people aged 15-24 not engaged in full time work or study" as a huge potential skilled labour pool that had to be tapped.

In response, Labor has promised a 10-year, \$2.5 billion plan to build trades training centres in all of Australia's 2,650 secondary schools for the one million students in Years 9 to 12. Schools will be provided with between \$500,000 and \$1.5 million in the first three years to obtain the equipment required to meet the specific training needs of industry.

Labor has also pledged to deliver over 820,000 vocational education and training places over the next six years. The disadvantaged, recently referred to by Gillard as "a severely under-utilised human capital resource," are also to be harnessed. More than 175,000 additional vocational education and training places funded over the next four years will be allocated to people who are currently unemployed. All the Howard government's "welfare-to-work" measures to force people into jobs by cutting benefits will remain in

place.

To oversee the efficient implementation of its plans, Labor proposes to establish “Skills Australia”, a board of seven representatives, “comprising economic, industry, academic and education expertise.” Funding for new training places is to be allocated to “Industry Skills Councils” that will coordinate the needs of employers at the local level.

Labor’s “education revolution” reaches right down to pre-school. “Labor’s Plan for Early Childhood” is not aimed at addressing the developmental needs of young children, but at capitalising on a prime investment opportunity. It argues that government investment in early childhood learning brings a “high rate of return” in terms of productivity and labour force participation, and is necessary for developing a “smarter and more adaptable workforce”.

Labor has therefore promised that all four-year-olds will have access to 15 hours of government-funded early learning programs per week, for a minimum of 40 weeks a year. Its longer-term perspective is to develop an integrated national network of “Early Learning Centres”, where the transition from child care to an early learning program will be streamlined.

Returning parents to the workforce is equally important in Labor’s drive to maximise productivity. That is why the government proposes to establish 260 new child care centres on school, TAFE, university and community sites. It calculated that the measure will result in 34,000 people, particularly women with skills in demand, re-entering the workforce in 2008-2009.

Labor is not concerned with providing child care as a basic social right. The Rudd government acknowledges that child care costs more than doubled under Howard. However, Labor only proposes to lift the Child Care Tax Rebate to 50 percent, up to \$7,500 per child per year, and to pay the rebate every three months rather than once a year as is currently done. The increased rebate will allow private child care centre operators to raise their fees at an even faster pace.

Schools will operate as the next stage in the production line for skilled workers, for which a new curriculum and technological facilities are to be established.

The government proposes to develop a national curriculum from Kindergarten to Year 12, regulated by a National Curriculum Board, to replace the present state-based system. In its statement “New Directions for Our Schools”, Labor identifies the international competitiveness of the Australian economy, rather than the intellectual development of children, as the “reference point” for the development of school curricula.

Accordingly, Labor will focus on “core areas” of mathematics, the sciences, English and history to enable young people to compete in the “knowledge economy” against their counterparts in countries like Japan and Singapore. Labor’s “National Asian Languages and Studies in Australian Schools Program” will co-ordinate nationally the teaching of Asian languages and culture, with a view to providing business with the language skills needed to compete in the region.

Competition in the global economy increasingly depends on the Internet and having a large, computer-literate workforce. Therefore, as part of its planned national broadband rollout, Labor’s “Digital Education Revolution” pledges to connect Australian schools to high-speed broadband. It plans to invest \$1 billion over four years to provide capital grants to schools to provide information and communications technology, and a “computer on the desk” of every secondary student in Years 9 to 12 to increase “productivity” in the future.

Under Labor, universities are also to be increasingly focussed as a “training ground for the highly skilled professionals Australia needs for our future growth”. Australia is the only OECD country where participation rates in tertiary education have stagnated or are falling. High tuition costs, initiated by the Hawke and Keating governments and escalated under Howard, are a major contributing factor.

Labor has promised to phase out the full-fee degrees introduced by Howard. Again, however, its policy is to produce the graduates required by business. Full-fee degrees will be replaced with an additional 11,000 Commonwealth Supported Places (CSPs) by 2011, for which students will still pay HECS fees. CSPs will be allocated on a university-by-university basis, in “skills shortage” areas of teaching, mathematics, science and engineering.

Labor’s “Scholarships for a Competitive Future” has the same objective. The government promises to double the number of undergraduate students receiving a scholarship to 88,000 and the number of students receiving an Australian Postgraduate Award for a PhD or masters degree to 9,600. The awards will be allocated in areas that can lift “Australia’s international competitiveness”.

Similarly, Labor’s “Future Fellowships” policy will offer four-year fellowships valued at \$140,000 per year to 1,000 leading Australian researchers. Again these will be targeted in the potentially profitable areas of “renewable energy, manufacturing technologies, the sciences, medical research, and education”.

Labor’s policies are unabashedly business-oriented. In launching his education policy, however, Rudd pointed to increasing university fees and the crippling impact of debt imposed on graduates. Labor, he said, wanted education “for the many and not the few”. This is a complete fraud.

Any genuine effort to provide “education for the many” would require a massive infusion of funds into all levels of public education, with a particular focus on reversing the deterioration of facilities in working class areas. Over the past two decades, the principle of the market—“user pays”—has been encouraged in every sphere of education. According to one estimate, the proportion of federal government funding to public schools was reduced from 50 percent in 1982 to 35 percent in 2006, forcing many parents to consider sending their children to private schools. Funding cutbacks have forced universities to increasingly turn to private funding and led to the erosion of facilities.

The Rudd government has no intention of reversing these processes. Many of Labor’s initiatives will either accelerate privatisation of education or provide lucrative spin-offs for business. Those best positioned to take advantage of Labor’s policies will be the wealthier layers of society. All of this underscores the basic fact that Labor “education revolution” is not about providing high-quality education for all, but at meeting the demands of big business for skilled labour, productivity and profits.



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