Better Access, A Fairer System: Labor’s Full Fee Degree Phase Out
Media Statement - 22nd November 2007

Under a Rudd Labor Government, young Australian’s will no longer have to pay more than $100,000 for a University degree.

According to the 2008 Good Universities Guide, there are now more than 100 degrees conducted by public Universities that cost in excess of $100,000. This has occurred despite John Howard’s broken promise in 1999 that:

Stephen Smith “There will be no $100,000 University fees under this Government.”

The Howard Government broke its promise on full-fee degrees and has after 11 years delivered a system that is costly and unfair.

If the Howard Government is re-elected these numbers will only continue to increase following the Government’s decision earlier this year to abolish caps on the number of domestic full-fee paying students.

Federal Labor believes that young Australian’s should be entitled to a University education based on merit, not their financial means.

That is why Federal Labor today announces a plan that delivers on our long standing commitment to end full-fee paying undergraduate degrees at public universities for domestic students.

Federal Labor’s plan means that:

- From 2009, full-fee paying undergraduate places will be phased out;
- Universities will be compensated for the phase out; and
- More young Australians will be given the opportunity to attend University.

While no new full-fee undergraduate places will commence after 2008, full-fee paying students already enrolled will be able to continue with their studies and complete their degrees.

There are approximately 3,500 domestic students who commence full-fee paying undergraduate degrees each year.

Currently public Universities receive approximately $105 million a year in revenue from these students.[1]

Based on current estimates of full-fee paying places and fees paid, allowing for
ongoing growth and an orderly phase-out, Universities will forgo $325 million in revenue over the academic years 2009 to 2011.

Federal Labor’s plan will provide an additional 11,000 Commonwealth Supported Places (CSPs) by 2011, which will deliver $355 million in revenue to Universities over the three academic years commencing from 2009.[2]

In an effort to address our chronic skills shortage and target areas of national priority, these places will include disciplines such as teaching, maths, science and engineering.

The distribution of these additional Commonwealth Supported Places (CSPs) will be determined in collaboration with individual Universities as part of Federal Labor’s ‘Compact’ approach to University funding.

Federal Labor’s plan meets its commitment to phase out domestic undergraduate full-fee paying places at public Universities from 1 January 2009, and ensures Universities are adequately compensated as a result of the phase out.

This commitment builds upon Federal Labor’s election commitments to:

- Provide incentives for young Australians to study and teach maths and science at University;
- Double the number of undergraduate scholarships;
- Double the number of postgraduate PhD and Masters by research scholarships; and
- Create 1,000 mid-career fellowships for Australian researchers.

[1] Source: DEST Finance 2006, Revenue from “Fee Paying Non-Overseas Undergraduate Students”, less University of Notre Dame and non-higher education component of dual sector institutions.

[2] Due to the timing difference between academic and financial years, Labor’s plan represents $270 million over the Budget forward estimates, compared to expected forgone revenue of $246 million.