



Fix Teacher Shortages and Stop the Slide in School Results

Party: Australian Labor Party

Summary of proposal:

The proposal would consist of the following 3 components.

Component 1 would provide a \$10,000 per year bursary to high-achieving students who undertake either an undergraduate or post-graduate teaching education qualification. The bursary would be tax-free and would not count as assessable income for the purposes of other Australian Government payments.

- Each bursary would be available for a maximum of 4 years for undergraduate students and 2 years for post-graduate students. Each recipient would also need to meet ongoing academic requirements to remain eligible. The split between undergraduate and post-graduate places would be in line with current enrolments. A loading of 20% would apply to students who undertake their teaching placement in a remote area of Australia in the year they undertake their placement.
- The proposal would begin on 1 February 2023 and would fund 5,000 places with 1,000 places commencing per year over 5 years starting in 2023.

Component 2 would provide a boost to the High Achieving Teachers Program and support up to 1,500 high achieving professionals – including mathematicians and scientists – to retrain as teachers by paying them a part-time salary as teachers' aides and getting them into fast-tracked masters programs. The funding profile would be as shown below.

\$m	2022-23	2023-24	2024-25	2025-26	2026-27
High Achieving Teachers Program	-7.9	-18.4	-21.0	-21.0	-10.5

- This would include 700 new Teach for Australia teachers and 60 new teachers through LaTrobe's Nexus Program.

Component 3 would respond to the Quality Initial Teacher Education Review, including by expanding Quality Teaching Rounds and developing new micro-credentials of classroom management and phonics. The funding profile would be as shown below.

\$m	2022-23	2023-24	2024-25	2025-26
Quality Initial Teacher Education Review response	-9.3	-6.1	-6.1	-6.1

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$159 million over the 2022-23 Budget forward estimates period, primarily due to an increase in administered expenses.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The implications of Component 1 are sensitive to the assumptions on enrolment splits between undergraduate and post-graduate students, as well as remote teaching placements.

Table 1: Financial implications (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-18.6	-36.2	-48.8	-54.9	-158.5
Underlying cash balance	-18.6	-36.2	-48.8	-54.9	-158.5

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

Component 1

- Bursaries would be paid at the end of each academic year, as the eligibility of a bursary is dependent upon a student's academic results.
- About 60% would be paid to undergraduate students, studying 4-year degrees.
- About 40% would be paid to post-graduate students, studying 2-year degrees.
- This assumed split is consistent with commencements data for 2019 and 2020 published by the Department of Education, Skills and Employment.
- Around 5% of eligible university students would undertake their teaching placements in a remote area of Australia.
- This is informed by the number of remote school students and education commencements at rural universities.
- It is assumed that this remote placement would occur in the 4th year of the undergraduate degree and the 2nd year of the post-graduate degree.

Component 2

- The capped cost would be for administered expenses and be non-ongoing, given the specified target of supporting up to 1,500 high achieving professionals.

Component 3

- The capped cost would be for administered expenses and be ongoing. Indexation to the consumer price index would occur from 2026-27.

All components

Departmental costs would be in addition to administered costs and similar in size to other programs.

Methodology

For Component 1, financial implications were estimated by multiplying the number of subsidised places by the bursary amount (both specified by the requestor), taking into account the expected splits between undergraduate and post-graduate enrolments and remote teaching placements as discussed in *Key assumptions*.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.¹

Data sources

Department of Education, Skills and Employment, 2020. [Selected Higher Education Statistics – 2019 Student data](#), accessed 11 May 2022.

Department of Education, Skills and Employment, 2021. [Selected Higher Education Statistics – 2020 Student data](#), accessed 11 May 2022.

Researchgate, 2020. [Remote and very remote schools in Australia: Overlooked and Neglected](#), accessed 11 May 2022.

¹ https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Fix Teacher Shortages and Stop the Slide in School Results – financial implications

Table A1: Fix Teacher Shortages and Stop the Slide in School Results – Fiscal and underlying cash balances (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
<i>Component 1 - Bursaries</i>	-	-10.0	-20.2	-26.1	-32.0	-32.0	-22.0	-11.9	-6.0	-	-	-56.3	-160.2
<i>Component 2 - High Achieving Teachers Program</i>	-7.9	-18.4	-21.0	-21.0	-10.5	-	-	-	-	-	-	-68.3	-78.8
<i>Component 3 - Quality Initial Teacher Education Review response</i>	-9.3	-6.1	-6.1	-6.1	-6.2	-6.4	-6.5	-6.7	-6.9	-7.1	-7.2	-27.6	-74.6
Total – administered	-17.2	-34.5	-47.3	-53.2	-48.7	-38.4	-28.5	-18.6	-12.9	-7.1	-7.2	-152.2	-313.6
Departmental													
<i>Departmental expenses</i>	-1.4	-1.7	-1.5	-1.7	-1.6	-1.1	-1.0	-0.9	-0.6	-0.4	-0.4	-6.3	-12.3
Total – departmental	-1.4	-1.7	-1.5	-1.7	-1.6	-1.1	-1.0	-0.9	-0.6	-0.4	-0.4	-6.3	-12.3
Total (excluding PDI)	-18.6	-36.2	-48.8	-54.9	-50.3	-39.5	-29.5	-19.5	-13.5	-7.5	-7.6	-158.5	-325.9

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Fix Teacher Shortages and Stop the Slide in School Results – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<i>Fiscal balance</i>	-0.2	-0.8	-1.8	-3.0	-4.4	-5.6	-6.7	-7.6	-8.4	-9.1	-9.8	-5.8	-57.4
<i>Underlying cash balance</i>	-0.2	-0.8	-1.7	-2.9	-4.2	-5.5	-6.6	-7.5	-8.3	-9.0	-9.7	-5.6	-56.4

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)