

DASSH response to the Invitation to Comment on the proposed Higher Education and Research Reform Amendment Bill 2014

The Australasian Council of Deans of Arts, Social Sciences and Humanities (DASSH) welcomes the opportunity to make a submission in response to the Senate Education and Employment Legislation Committee inquiry into the Higher Education and Research Reform Amendment Bill 2014 in regard to the proposed amendments to the *Higher Education Support Act 2003* (HESA), the *Australian Research Council Act 2001* (ARC Act) and related legislation to give authority to a variety of higher education measures emerging out of the 2014–15 Budget and subsequent policy decisions.

DASSH represents ASSH disciplines across 36 Australian universities. While among those universities there is a diversity of responses to the impact of the proposed deregulation of higher education, there is agreement that the proposals to reduce government funding of university education and to impose significant new debts on students are detrimental to the government's commitments to expanding access in higher education and a strong economy for Australia's future.

While DASSH welcomes the government's willingness to negotiate on some of the proposed amendments to the Bill put forward by members of the Senate, including the decision to retain the current the HECS-HELP repayments at the Consumer Price Index rather than the proposed 10 year bond rate, a concern we raised in our [original submission on 22 September 2014](#), there still remain proposed amendments that are disadvantageous to Australian students, the higher education sector and the Australian economy.

1. Reduction in commonwealth support for higher education through cuts to CGS.

DASSH is perplexed by the proposal to reduce the level of commonwealth funding to support university education, irrespective of any decision to deregulate higher education. No argument has been given to justify a reduction in commonwealth support. The proposed cut to Commonwealth Grant Scheme support for university education suggests a lack of government commitment to securing Australia's future. Much of the debate concerning deregulation and arguments for increasing student contributions towards their education focuses on the benefits to the individual student gained from higher education. However, less attention has been paid to the collective benefits that are gained from having a higher level of educational attainment across the community. The proposed cut is at odds with the government's stated commitment to supporting the "knowledge economy" and recognition of the future workforce needs in the services sector. Higher educational attainment is directly related to better health outcomes, greater security, increased employment, social engagement and economic growth, and consequently reducing demand on government funding to support health, policing and security,

unemployment benefits and social welfare provision (OECD (2013), *Education at a Glance 2013: OECD Indicators*, OECD Publishing, <http://dx.doi.org/10.1787/eag-2013-en>).

The proposed cut will hit humanities, arts and social science (HASS) disciplines particularly hard, despite the proposed increase in Humanities CGS funding and the maintenance of Languages CGS funding. The suggestion that the CGS cuts will amount to a 20% cut in CGS income does not attend to the patterns of enrolment and internal cross subsidies that already exist in universities. Currently in the majority of universities, HASS disciplines cross-subsidise STEM areas to ensure that there are sufficient resources to maintain high-cost STEM teaching and research programs. Similarly, Social Science enrolments are often used within HASS faculties to cross-subsidise low revenue Humanities, low enrolment Languages and high-cost Creative Arts disciplines. Based on a normalised pattern of enrolment across Arts Faculties, the cuts to HASS programs are more likely to be in the region of 30%-40%, not 20%. Given the current dependence on revenue from HASS enrolments to subsidise STEM disciplines, the proposed cuts to CGS funding will put pressure on HASS to provide even greater support for STEM disciplines, with attendant negative effects on strategically important disciplines with low student demand (including strategically important languages) and research capability in HASS.

DASSH urges the Committee of inquiry to reject the cuts to CGS support.

2. Amending the *Australian Research Council Act 2001* to enable additional investment in research through the Future Fellowships Scheme.

DASSH is concerned that any additional investment in Future Fellowship Scheme awards will mean a reduction in available funds for Discovery Project grants, the primary source of external grant funding in HASS disciplines.

3. Amending the *Australian Research Council Act 2001* to apply a one-off efficiency dividend in 2015-16.

DASSH is deeply concerned about the proposed one-off efficiency dividend to be applied to the ARC in 2015-16. There has been little evidence that such cuts have been successful, with the National Commission of Audit and the [Centre for Independent Studies](#), among others, calling for the scrapping of this cost-saving measure.

The National Commission of Audit describes efficiency dividends as “a particularly ‘blunt instrument’ to achieve budgetary savings” and that it reduces funding to both areas of high priority and areas of low priority; to areas already operating efficiently, and to areas where there could be significant efficiency gains” (*Towards Responsible Government The Report of the National Commission of Audit – Phase Two*, 2014, <http://www.ncoa.gov.au/report/phase-two/executive-summary.html>).



Cuts, such as those proposed, have a disproportionate impact on small agencies. Given the size of the ARC, DASSH is concerned about the impact of an efficiency dividend on the organisation.

DASSH urges the Committee of inquiry to reject the efficiency dividend being applied to the ARC.

Professor John Germov

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Australasian Council of Deans of Arts, Social Sciences and Humanities (DASSH)

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About DASSH

The Australasian Council of Deans of Arts, Social Sciences and Humanities (DASSH) is the authoritative agency on research, teaching and learning for the Arts, Social Sciences and Humanities (ASSH) in Australian and New Zealand universities.

DASSH supports those within these institutions who have responsibility for the governance and management of research and teaching and learning in their universities. DASSH also supports those who aspire to these positions through a Network of Associate Deans (Learning and Teaching) and a Network of Associate Deans (Research).