

DASSH response to the Invitation to Comment on the principles of the Higher Education and Research Reform Bill 2014, and related matters

The Australasian Council of Deans of Arts, Social Sciences and Humanities (DASSH) welcomes the opportunity to make a submission in response to the Education and Employment References Committee on the principles of the Higher Education and Research Reform Bill 2014, and related matters.

DASSH represents ASSH disciplines across 36 Australian universities. We acknowledge that higher education policy needs to be adjusted and be relevant in an ever-changing environment. We welcome the opportunity to reform and simplify the current system enabling both universities and the Australian government to provide a world-class tertiary education for Australian and international students. However, we believe that the principles of the Bill and its subsequent reforms are detrimental to achieving that goal.

In our previous submission to the Senate in September 2014 DASSH stated our concern at 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. Though the government has made some concessions to the original Bill, which we welcome, the position of DASSH in regard to higher education funding remains unchanged.

Our sector is extremely large and diverse, encompassing everything from psychology, sociology, geography and demography through to media studies, the creative arts, history, and language studies. Our sector provides the tools necessary to engage economically, politically and culturally both within our region and internationally. A significant proportion of the Australian workforce is comprised of graduates from our sector (according to a 2012 Graduate Destinations Survey, 64% of graduates working full-time as a proportion of those available for full-time employment).¹ While it is true that having a tertiary qualification can be a means to earn a higher income, this is not the case for all graduates, particularly in our sector.

a) The principles of the Higher Education and Research Reform Bill 2014

- 1. That higher education is of primary benefit to the student and that they, therefore, should bear the burden of the cost of their education.**

¹ Turner, G., and Brass, K. (2014) *Mapping the Humanities, Arts and Social Sciences in Australia*. Australian Academy of the Humanities, Canberra.

As we stated in September, and reiterated in the Senate Committee's recent inquiry into the *Higher Education and Research Reform Amendment Bill 2014*, irrespective of any decision to deregulate higher education, we do not support the proposal to reduce the level of commonwealth funding to support university 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.²

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.

² OECD (2013), *Education at a Glance 2013: OECD Indicators*, OECD Publishing, <http://dx.doi.org/10.1787/eag-2013-en>.

2. That the financial benefits of higher education justify increasing debt burden on those who study.

In the Government’s Explanatory Memorandum to the Bill, they claim that the higher education reforms will increase access to education for Australians and that this in turn will “provide a basis for increased earnings and therefore assure a higher standard of living for many graduates.”³ However, this is not necessarily the case, particularly for ASSH graduates.

In a 2012 report commissioned by DASSH, we found that six months after graduation, Arts-related students were on the lowest level of salary and that the gap is increasing against other narrow fields of study.⁴ Graduates from Arts-related courses are also more likely to be employed in part-time employment rather than full-time employment over this period.

The figures for 2013 have since been released (see table below), and while the rank for Social Sciences’ median starting salary has risen, the median starting salary for other ASSH disciplines has fallen.

Fields of education ranked according to median starting salary for bachelor degree graduates aged less than 25 in first full-time employment, 2013~~x~~

2013 Rank	Field of Education	Median salary in 2013 (\$,'000)	No. of graduates in 2013	Rank in 2012
1	Dentistry	80.0	63	1
2	Optometry	70.0	22	2
3	Engineering	64.0	1,271	4
4	Medicine	60.0	388	5
4	Earth Sciences	60.0	87	3
6	Education	57.0	1,032	7
7	Law	55.0	304	9
7	Physical Sciences	55.0	82	8
7	Mathematics	55.0	59	6
10	Paramedical Studies	54.0	1,808	11

³ *Higher Education and Research Reform Amendment Bill 2014* Explanatory Memorandum, p.10.

⁴ Gannaway, D and Sheppard, K. (2012). *Benchmarking the Australian Bachelor of Arts: A summary of trends across the Australian Bachelor of Arts Degree Programs*. Teaching & Educational Development Institute (TEDI). University of Queensland.

11	Computer Science	53.0	325	10
12	Accounting	50.0	781	15
12	Psychology	50.0	253	15
12	Social Sciences	50.0	118	19
12	Agricultural Science	50.0	107	12
12	Social Work	50.0	97	12
17	Architecture & Building	49.2	284	17
18	Economics, Business	49.0	1,983	17
19	Biological Sciences	48.0	421	12
20	Veterinary Science	46.0	68	20
21	Humanities	45.0	922	20
22	Art & Design	40.0	269	22
23	Pharmacy	39.0	278	23

Source: AGS data sets

<http://www.graduatecareers.com.au/Research/ResearchReports/GraduateSalaries>

DASSH is also concerned with the increasing accumulated debt that will likely affect ASSH graduates with the proposed changes to Higher Education Loan Programme (HELP) loans. DASSH welcomes the government's decision to retain the current the HECS-HELP repayments at the Consumer Price Index rather than the proposed 10 year bond rate. However, the lowering of the minimum repayment threshold troubles us. As evidenced above, ASSH graduates have lower salaries than other graduates and tend to be employed part-time. There is some evidence that five years after graduation ASSH graduates earn incomes that are equivalent to or above STEM graduates.⁵ However, they often have periods of unemployment or employment in positions with low pay for a longer period following graduation than their STEM peers.⁶ Further because more HASS students are women (63% compared with 56% of all students⁷), they are more likely to have career interruptions in the period when they have lower incomes, leading to a significantly higher average debt burden for HASS students than their STEM peers.

⁵ Graduate Careers Australia (2014), Beyond Graduation 2013.

⁶ Graduate destinations data.

⁷ 2013 Department of Education uCube data.

3. That greater competition in higher education will reduce the cost of providing education.

DASSH notes that the government believes that by implementing their reforms, the greater competition in higher education will reduce the cost of providing education. We fear that this outlook does not take into consideration the market failure of regional campuses, as well as factors such as the low demand for some areas of study, which are strategically important.

We have already seen that the demand driven system has had the impact of increasing demand for Group of Eight universities, reducing demand for regional universities and reducing demand for key ASSH programs (creative arts and architecture).⁸ Universities and Faculties of Arts, Social Science and Humanities have responded to the perceived threat to low demand programs such as languages by redesigning their degree requirements to ensure the viability of these programs (e.g. through breadth or broadening programs), while also ensuring that students get a well-rounded education and achieve the graduate attributes of their course. Regional universities have begun to offer new courses and modes of course delivery (e.g. flexible learning, online modules) aimed at attracting students who are not well catered to by major metropolitan universities.

There is, nonetheless, a continued risk that some areas of study that are strategically important for Australia's interests (e.g. the study of Indonesian), are already under threat and may not be able to attract sufficient student demand to be viable in the demand driven system, and so a separate means of protecting those areas of study may be required beyond market forces; including increased support at high school level for studying a language.

4. That if universities can charge what they want then the government should contribute less to higher education

DASSH has long argued that the government should aim to set the level of student and government contributions at the OECD average.⁹ Compared to other OECD countries, Australia's average annual tertiary tuition fees (HECS) are relatively high,¹⁰ whilst public expenditure on tertiary education institutions per student in Australia is below the OECD average.¹¹ Increasing the debt burden on students is likely to act as a disincentive to further study for those students who are least able to pay. High fees create impediments to participation that are in tension with the government's goals for participation from all socioeconomic

⁸ Stone, Deborah, (2013), "Arts vulnerable in Education Review", ArtsHub, 13 November.

⁹ See DASSH's 2011 submission to the Higher Education Base Funding Review: Consultation Paper, http://dassh.edu.au/resources/uploads/publications/submissions/20110328_Higher_Education_Base_Funding.pdf

¹⁰ Background Paper for the Review of Higher Education Base Funding: December 2010, p.32.

¹¹ *Ibid*, Figure 3.6, p.33.

groups and to achieve increased levels of participation amongst low SES students by 2020. In particular, students who would be “first in family” to attend University are those likely to view HECS liability as a disincentive as are mature-aged married women whose household income is just below average household income.

5. That teaching effort is completely separable from research effort.

DASSH is concerned that the Bill appears to focus on the provision of tertiary education and limits its view of higher education to separating teaching from research effort. While we note that non-university providers can provide good quality higher education, we are apprehensive that this may reduce the view of university education to skill training rather than research informed critical understanding of the disciplines.

g) Any other related matters

DASSH is deeply concerned with the fact that the major research initiative, National Collaborative Research Infrastructure Strategy (NCRIS) will not proceed unless the *Higher Education and Research Reform Amendment Bill 2014* is passed. Due to the increasing digitalization of collections, and in addition to the fact that many new technologies, such as nanotechnology, have significant ethical, social and legal aspects, which need to be studied in tandem, NCRIS is of utmost importance to the ASSH disciplines.

Large research problems often include numerous disciplines in the mix of researchers and NCRIS facilities have over time enhanced cross-disciplinary collaborations. The ASSH disciplines have been specifically recognised as an important capability area in NCRIS and it is essential that this area is funded to keep Australian research competitive on a global scale.

Professor John Germov

President

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).