



Senate Inquiry into the Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020 – September 2020

The Youth Affairs Council of South Australia (YACSA) is the peak body in South Australia representing the interests of young people, youth workers, organisations, and networks throughout the non-government youth sector. Policy positions are independent and not aligned with any political party or movement. YACSA supports the fundamental right of all young people to participate in and contribute to all aspects of community life, particularly the decision-making processes that impact them.

YACSA is opposed to much of the proposed changes outlined in the Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020, particularly those changes related to drastic fee increases for a range of degrees in the areas of Humanities, Social Science, Law and Communications. These fee increases will unfairly impact young people, lead to decades of devastating debt and lock a range of young people out of higher education.

With the Coronavirus pandemic decimating the jobs typically undertaken by young people, and the beginning of a long-term recession that will hit young people the hardest, the proposed changes to higher education funding will make it more difficult for young people to see higher education as a viable option for a successful future.

Recommendations

YACSA believes the Bill should be significantly amended to better reflect the evidence related to degree employment outcomes and the value of Arts, Humanities, Communications, Law and Social Science graduates in the broader Australian workforce. As such we make the following recommendations:

- Review and revise the Bill to ensure fairer, more equitable and effective changes to the higher education system for both students and institutions.
- Remove punitive measures related to student performance that could see students losing access to the HELP-HECS Scheme.
- Adequately fund the higher education system to provide long-term sustainability for institutions while ensuring quality education and supports for students.
- Ensure higher education is affordable for young people and doesn't contribute to entrenched poverty and disadvantage for already vulnerable populations.
- Provide a longer consultation period for the community to more vigorously examine any amendments to the Bill and their impacts on future students and the higher education system.

Specific comments on the Bill

Evidence to justify the changes to university funding

The intent of the Bill is to 'incentivise students' to choose a degree that is considered 'job ready' and to discourage them from pursuing courses deemed as 'less important' to the workforce. However, the evidence that has been used to determine which degrees are considered 'job ready' or those that are considered 'less important' is significantly lacking. For example, courses within the areas of Arts, Humanities and Social Sciences have a commensurate long-term employment rate (87%) compared to

courses in Science and Mathematics (87.1%). Further, Arts, Humanities and Social Sciences graduates also have a higher medium-term average salary (\$72,000) compared to graduates working in fields related to Science and Mathematics (\$70,000)¹.

What is most concerning is that the proposed changes fail to acknowledge that many of the degrees targeted for fee increases are vital not only for the Australian workforce but also for a range of roles and services. Graduates across the targeted degrees possess transferable skills that are highly valued by employers for their unique contributions to the Australian community. In fact, research and anecdotal evidence demonstrates that the skills that are at the core of Arts, Humanities and Social Sciences degrees that can include; creativity, initiative, innovation, complex problem-solving and critical thinking are in high demand in the Australian workforce^{2 3}.

As such, it seems that long-held and erroneous beliefs about the value of Arts, Social Sciences and Humanities underpin this Bill, rather than any serious evidence-based response to issues within the higher education system.

With evidence that shows that HELP-HECS fees are not a significant influence on the choice of degree by prospective students⁴, the fee increases outlined in the Bill will likely further disadvantage the most vulnerable prospective students and prove an insurmountable barrier to accessing higher education.

Reductions to the overall funding of Australia's higher education system

While the Bill seeks to lower the student contribution for some 'job ready' degrees, the government does not plan to compensate universities for this shortfall in funding. With falling enrolments for both domestic and international students and a reduction in core funding, universities will have less resources, staff, supports and capacity to deliver quality education to students⁵. Recent research undertaken by Melbourne University found that a reduction in funding of between 6-17% is likely to not only threaten the quality of education for a range of students but will reduce the ability of universities to compete at an international level⁶. Universities may also need to cease delivering vital degrees or conversely, students will be burdened with increased short and long-term fees that are likely to impact them financially for decades.

Universities have been subject to marked reductions in funding over recent years that has recently been impacted by a significant reduction in numbers of international students. With this financial shortfall, coupled with the proposed changes in this Bill, the higher education system will have to endure further attacks on their long-term sustainability and their ability to deliver quality education.

Impacts on vulnerable students

The Bill also includes provisions that could result in students losing access to the HELP-HECS Scheme. If a student fails a number of subjects, they could be forced to withdraw from their degree or be forced to pay

¹ Quality Indicators for Learning and Teaching (2020). *2020 Graduate Outcomes Survey – Longitudinal (including tables and figures)*. Viewed, 11 September 2020, https://www.qilt.edu.au/docs/default-source/gos-reports/2020-gos-l/2020-gos-l-national-report.pdf?sfvrsn=de45ec3c_2

² Department of Jobs and Small Business (2019). *Australian Jobs 2019*. Viewed 11 September 2020, <https://docs.employment.gov.au/system/files/doc/other/australianjobs2019.pdf>

³ Jennifer Westacott (2016). *The True Value of Humanities*. Business Council of Australia. Viewed 11 September, <https://www.bca.com.au/the-true-value-of-humanities>

⁴ Department of Education, Employment and Workplace Relations. Roy Morgan Research (2009). *Year 12 Student Choices: A survey on factors influencing Year 12 decision-making on post-school destination, choice of university and preferred subject*. Viewed 11 September, https://web.archive.org/awa/20110629214643mp_/http://pandora.nla.gov.au/pan/127723/20110629-1522/www.deewr.gov.au/HigherEducation/Publications/Documents/Year12StudentChoicesReport.pdf

⁵ Larkins, F. Marshman. I. 'The government is making 'job-ready' degrees cheaper for students – but cutting funding to the same courses'. *The Conversation*, June 24 2020. Viewed 11 September 2020, <https://theconversation.com/the-government-is-making-job-ready-degrees-cheaper-for-students-but-cutting-funding-to-the-same-courses-141280>

⁶ Ibid.

upfront fees in order to progress in their degree. This could have significant impacts on future students and force some young people into long-term debt and poverty.

YACSA believes that this provision is overly punitive and will disproportionately affect students who may already be facing significant life events that impact their study. Rather than being penalised for circumstances that may be beyond their control, or for those who have made the wrong career choice, these students should be supported to succeed in higher education.

