



Committee Secretary
Senate Education and Employment Committee
PO Box 6100,
Parliament House
Canberra ACT 2600
Email: eec.sen@aph.gov.au

22nd September 2014

Dear Committee Secretary,

Re: Call for Comment on the *Higher Education and Research Reform Amendment Bill 2014 Standards Framework*

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).

DASSH welcomes the Committee's request for feedback on the proposed *Higher Education and Research Reform Amendment Bill 2014*, and we attach our response to the call for comment.

Please contact me if any further information is required.

Yours sincerely

Professor John Germov
President

(and Pro Vice-Chancellor, Faculty of Education and Arts, The University of Newcastle)



DASSH response to the Call for 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.

DASSH represents humanities, arts and social science (HASS) disciplines across 36 Australian universities. While these universities differ in their responses to the proposed deregulation of higher education, there is agreement among DASSH members 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 to securing a strong economy for Australia's future.

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. 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



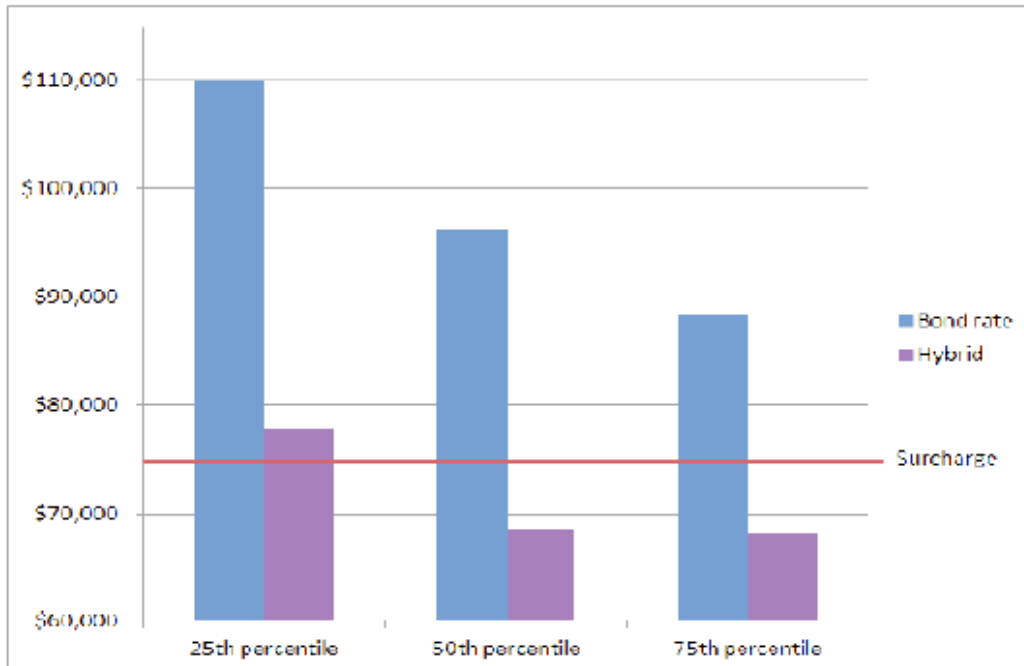
in the majority of universities, HASS disciplines cross-subsidise STEM areas to ensure that there are sufficient resources to maintain high-cost STEM education and research programs. Similarly, Social Science enrolments are often used within HASS faculties to cross-subsidise low revenue Humanities, low enrolment Languages and high cost Creative Arts disciplines. Based on a normalised pattern of enrolment across Arts Faculties, the cuts 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. Impact of the changes to student contributions and HECS-HELP on students taking HASS disciplines

DASSH is concerned that the proposed changes to the HECS-HELP system will result in disproportionately higher student HELP debt for HASS students. Proponents of the changes focus on the fact that students do not need to pay “up front” for the increases in student contributions that can be charged as a result of the proposed deregulation of fees, and that repayments are income contingent. However, as has been widely reported, the change in the rate of interest for HELP loans to the bond rate and the effects of compound interest mean that the growth in debt due to unpaid loans will disproportionately affect students who have low incomes or experience career interruptions. HASS students are likely to be particularly affected by the changes to HECS-HELP. There is some evidence that five years after graduation HASS graduates earn incomes that are equivalent to or above STEM graduates (Graduate Careers Australia (2014), *Beyond Graduation 2013*). However, they often have periods of unemployment or employment in positions with low pay for a longer period following graduation than their STEM peers (Graduate destinations data). Further because more HASS students are women (63% compared with 56% of all students, 2013 Department of Education uCube data), 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.

4 Female graduates, full-time with 10 years below threshold, loan = \$60,000



Bruce Chapman & Tim Higgins (2014). *Higher Education Financing Issues: Interest Rate Effect and Options*, presentation delivered at DASSH pre-conference Deans meeting, 16 September, 2014, http://dassh.edu.au/resources/uploads/Speaker_presentations_/HEForumSep112014_Bruce_Chapman.mov

These differentials in the total debt borne by students are not justified and DASSH urges the committee to reject the proposed changes to interest on student loan repayments.

John Germov
22 September 2014