

SUBMISSION TO INQUIRY ON OPPORTUNITIES FOR EMPLOYMENT AND ECONOMIC DEVELOPMENT FOR INDIGENOUS AUSTRALIANS

31 January 2020

Universities Australia (UA) is pleased to make a submission to the House Standing Committee on Indigenous Affairs inquiry into opportunities for employment and economic development for Indigenous Australians.

Universities Australia acknowledges the traditional owners of country on which our members operate. We celebrate the culture and knowledge that Indigenous Australians continue to safeguard for future generations.

UA is the peak body for Australia's 39 comprehensive universities. UA has long advocated for policy and funding settings that enable the transformative opportunity of university education to be made available to all Australians.

Higher education continues to unlock employment and economic advancement for all Australians. This is especially so for Indigenous university graduates, who typically outperform their non-Indigenous peers in labour market outcomes – meaning there is no employment gap for university graduates.

During the past decade, the number of Aboriginal and Torres Strait Islander people pursuing a university education in Australia has more than doubled. However, disadvantaged groups such as Indigenous and regional Australians remain underrepresented in university participation and attainment.

Universities Australia's 39 member universities have come together to implement the *Universities Australia Indigenous Strategy 2017- 20* (UA strategy) that redoubles the efforts of the sector to advance Aboriginal and Torres Strait Islander participation and success in higher education. It is a long-term commitment extending well beyond 2020 and progress against the strategy is reported annually (the first annual report is available [here](#)).

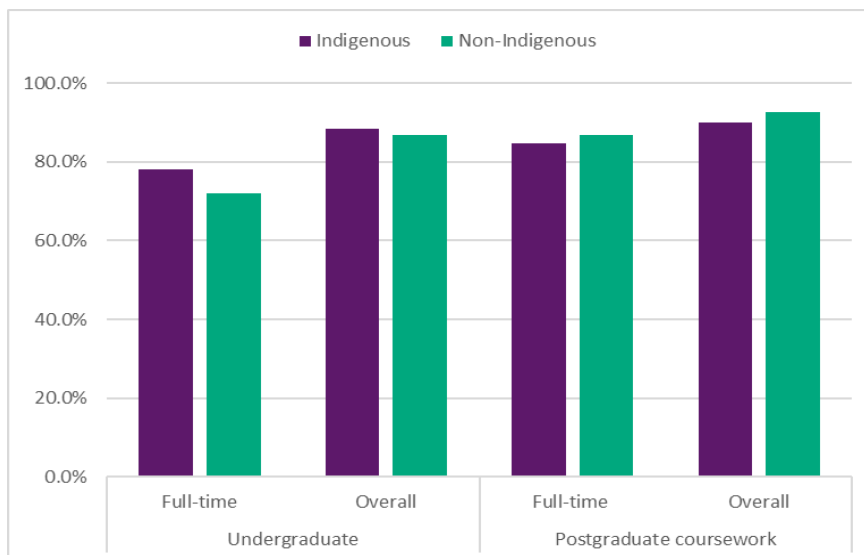
INDIGENOUS AUSTRALIANS HAVE STRONGER EMPLOYMENT OUTCOMES UPON GRADUATION COMPARED TO NON-INDIGENOUS GRADUATES

One of the great success stories for Australian higher education in recent years has been its role in helping to close the employment gap between Indigenous and non-Indigenous Australians.

Indigenous graduates generally have strong employment outcomes, comparable to and frequently better than non-Indigenous graduates. Figure 1 shows short-term employment outcomes - four months after completion - for Indigenous and non-Indigenous graduates in 2019.

In 2019, 78.2 per cent of Indigenous undergraduates were in full-time employment four months after completion, outperforming non-Indigenous undergraduates (72.1 per cent). For graduates with a postgraduate degree, 84.7 per cent of Indigenous graduates were in full-time employment four months after completion, comparable with non-Indigenous graduates (86.8 per cent).

Figure 1: Short-term graduate employment outcomes, 2019

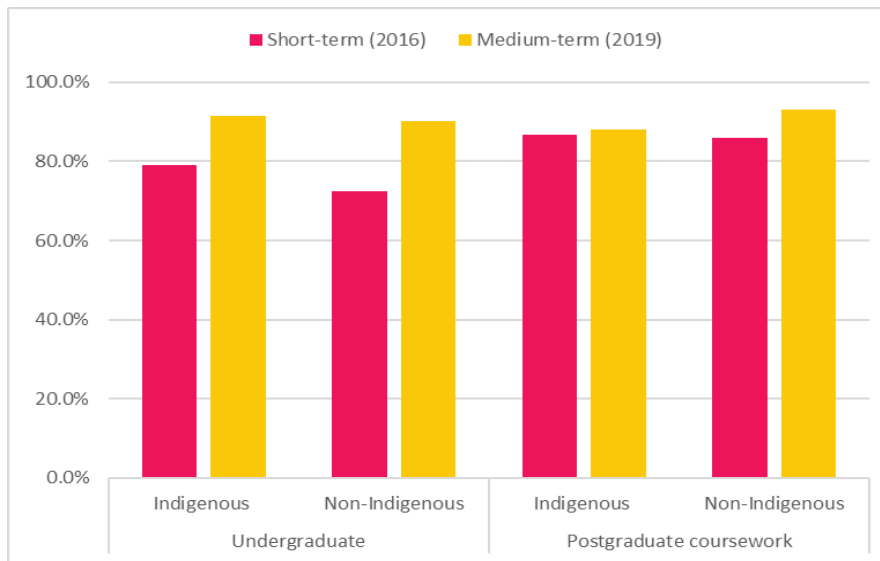


Source: Social Research Centre (SRC) 2019, *2019 Graduate Outcomes Survey*.

Over the medium-term (three years after finishing their degrees), employment outcomes for Indigenous undergraduates are comparable to non-Indigenous undergraduates (figure 2).

While Indigenous graduates with an undergraduate degree have higher short-term full-time employment rates (79.1 per cent) than non-Indigenous graduates (72.5 per cent), non-Indigenous graduates close this gap in full-time employment in the medium-term to trail Indigenous graduates by around 1.5 percentage points.

Figure 2: Short and medium-term graduate employment outcomes, 2019



Source: SRC 2019, *2019 Graduate Outcomes Survey – Longitudinal*.

Indigenous undergraduates earn more than non-Indigenous undergraduates immediately upon graduation. In 2019, median full-time salaries of \$65,200 compared to \$62,600 for non-Indigenous graduates; while Indigenous undergraduates earned \$4,000 more than non-Indigenous undergraduates in 2018.

VALUE OF UNIVERSITY EDUCATION TO INDIVIDUALS, SOCIETY AND THE ECONOMY

For both Indigenous and non-Indigenous Australians, a university degree remains a key enabler of prosperity for individuals, as well as for the economy and society as a whole. Graduates earn higher salaries, are less likely to be unemployed and contribute to growing the overall economy.

Recent ABS data shows that in May 2019, the unemployment rate for graduates was 3.0 per cent - compared to 7.5 per cent for those without post-school qualifications.¹

Graduates on average earn more: over a lifetime, the median male graduate is estimated to earn nearly \$800,000 more than a man with no post-school qualifications, while the average female graduate is estimated to earn nearly \$600,000 more than a woman with no post-school qualifications.² According to the 2016 Census, university graduates earn 70 per cent more than people with no post-school qualifications and contribute substantially more to national taxation receipts.³

Data published by the OECD in 2019 shows the net public benefit for Australia is US\$168,100 per male graduate and US\$117,700 per female graduate. Public benefits included higher tax revenue and lower social security transfer payments.⁴ The OECD estimated that Australian government can expect to receive a return of 12 per cent every year on the investment made on tertiary education.⁵

¹ ABS 2019, *Education and Work, Australia, May 2019*, Cat. No. 6227.

² Grattan Institute 2018, *Mapping Australia Higher Education 2018*, p.93.

³ ABS 2016 Census, *Employment and income by qualification level – people aged 20-64 years*

⁴ OECD 2019, *2019 Education at a Glance*, Indicator A5.3.

⁵ *Ibid*, Indicator A5.2.

Labour market demand for graduate skills is forecast to continue and strengthen. Projections by the Commonwealth Department of Employment show that 90 per cent of jobs growth over five years to May 2023 will be in jobs that require post-school qualifications.⁶ More than 45 per cent of jobs growth will be in jobs that require a university degree.

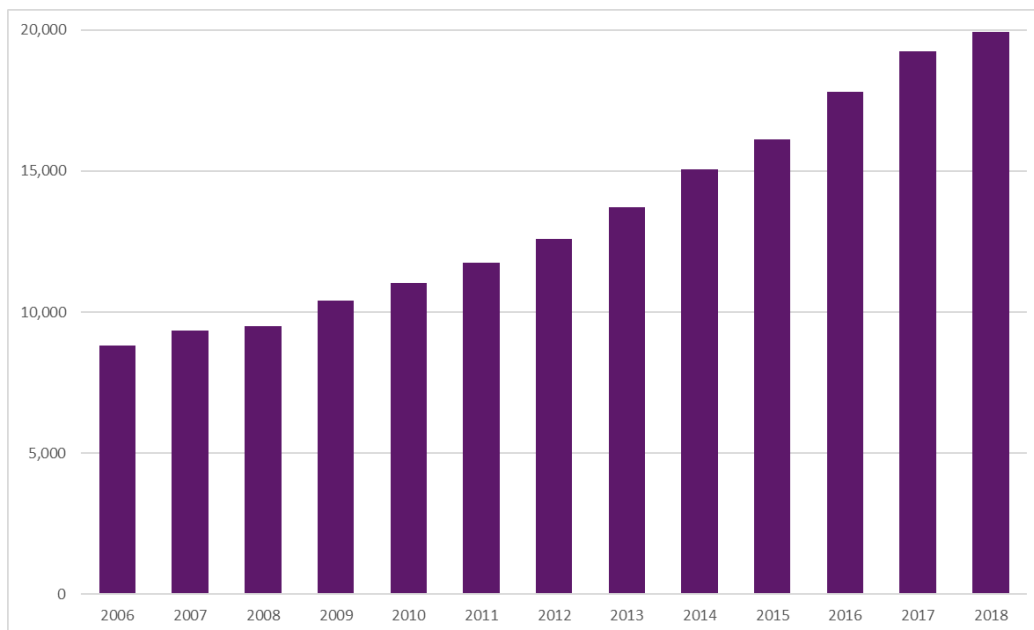
PARTICIPATION IN HIGHER EDUCATION BY ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE

There has been strong growth in higher education participation by Aboriginal and Torres Strait Islander students over the past decade.

Figure 3 shows total Indigenous student enrolments have more than doubled (110.1 per cent) since 2008, from 9,490 students in 2008 to 19,935 students in 2018. Over the same period, Indigenous enrolments:

- in Bachelor degree courses increased from 6,352 to 13,926;
- in enabling courses (sometimes known as pathway or bridging courses) increased from 871 to 1,810. Enrolment data between 2015 and 2018 show much of this growth has come in the last few years;
- in postgraduate coursework degrees increased from 1,138 to 2,508; and
- in postgraduate research enrolments increased from 393 to 641.

Figure 3: Indigenous student enrolments, 2006 to 2018

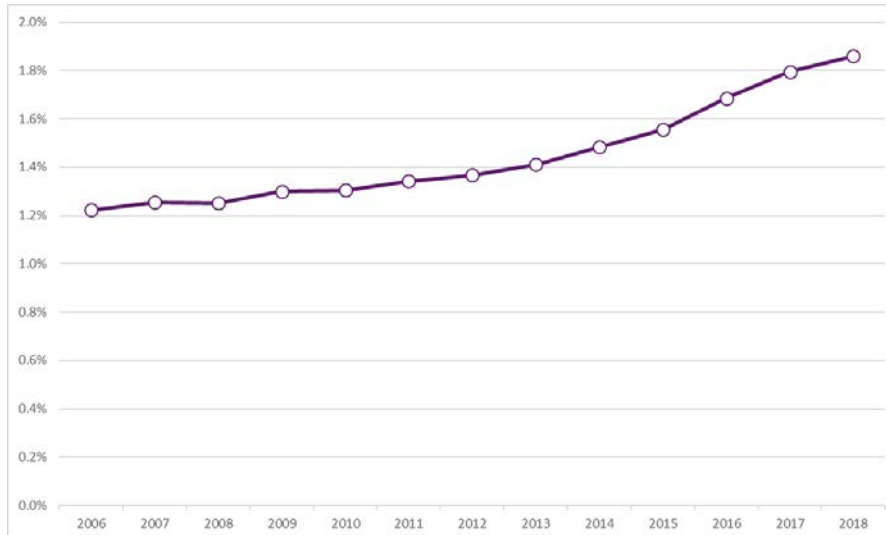


Source: Department of Education (DoE) 2019, *Selected Higher Education Statistics – 2018 Student Data*

⁶ Department of Jobs and Small Business 2018, *Employment Outlook to May 2023*.

Despite this growth, Indigenous students' percentage share of total domestic enrolments increased more modestly—up from 1.3 per cent in 2008 to 1.9 per cent in 2018 (Figure 4). To reach population parity, this would need to be 3.1 per cent.

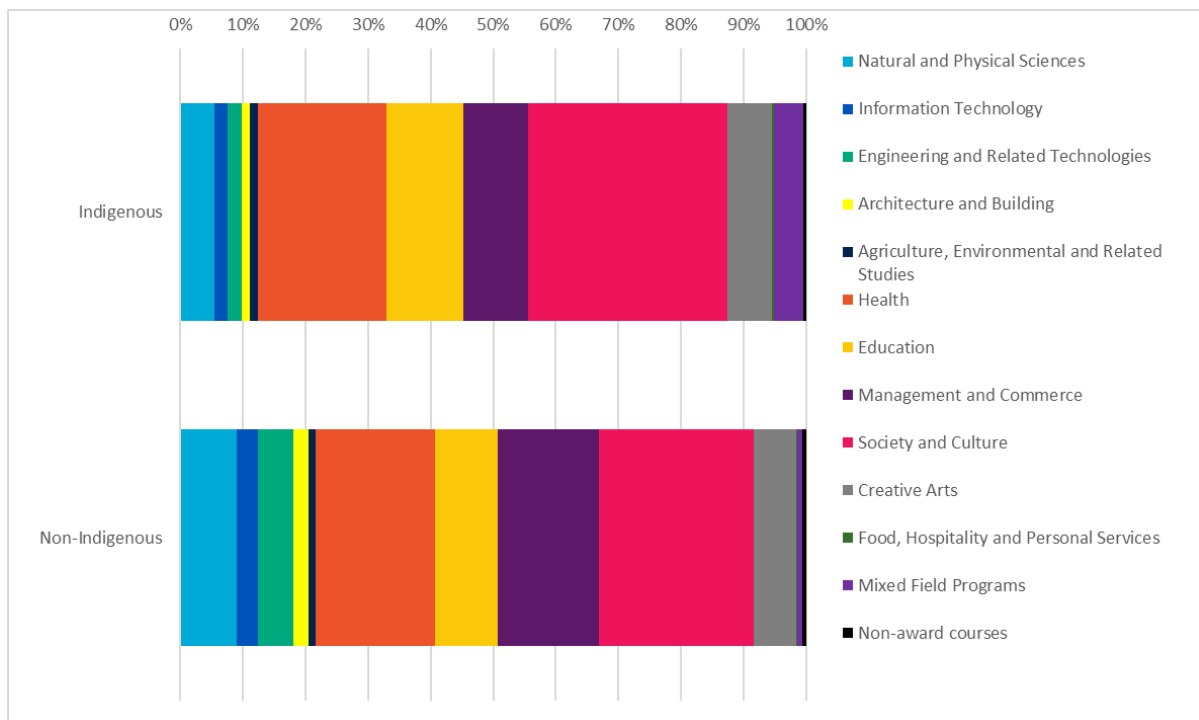
Figure 4: Share of Indigenous student enrolments, 2006 to 2018



Source: DoE 2019, *Selected Higher Education Statistics – 2018 Student Data*

As shown in figure 5, Indigenous students continue to be more likely to enrol in courses in society and culture (31.8 per cent), health (20.5 per cent) and education (12.3 per cent) and less likely to enrol in management and commerce (10.3 per cent), natural and physical sciences (5.5 per cent) and engineering (2.3 per cent).

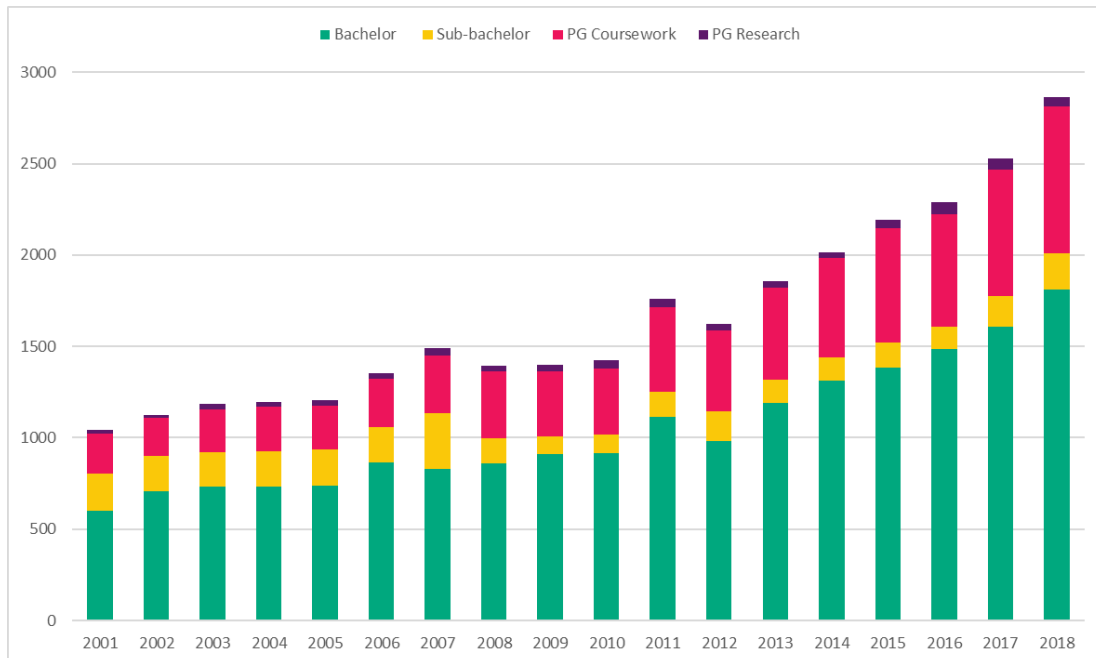
Figure 5: Enrolments by broad disciplines, 2018



Source: DoE 2019, *Selected Higher Education Statistics – 2018 Student Data*

Since 2008, Indigenous award course completions have continued to increase year-on-year, consistent with the growth in Indigenous enrolments. Indigenous Bachelor award course completions increased 110.6 per cent, from 860 awards in 2008 to 1,811 awards in 2018 (figure 6).

Figure 6: Number of Indigenous award course completions, by course level



Source: DoE 2019, *Visual Analytics—Award Course Completions Time Series*.

However, Bachelor degree completion rates remain a challenge compared to non-Indigenous students. Nine-year completion rates for Indigenous students remain around 47 per cent, significantly below the completion rate for non-Indigenous students (74 per cent). Indigenous students can typically take longer to graduate. This is, in part, explained by the demographic characteristics of Indigenous university students, who are proportionally more likely to be mature-aged women – with other family and work commitments to balance. Nevertheless, aiming for completion rate parity amongst Indigenous and non-Indigenous university students is a priority for the sector.⁷

UA acknowledges there are many factors that contribute to employment and economic outcomes for Indigenous Australians. In particular, it remains clear that for those in remote and very remote areas of Australia, secondary educational attainment is significantly lower than major cities and regional Australia. In very remote Australia, 40.3 per cent of people aged 19 have completed Year 12 or equivalent, compared to 80.3 per cent in major cities and 63.9 per cent in outer regional Australia.⁸ Of people identifying as Aboriginal or Torres Strait Islander in the 2016 Census, 18.4 per cent lived in remote or very remote Australia, compared to 1.4 per cent of people identifying as non-Indigenous.⁹ This represents a challenge to access to post-secondary education, including higher education.

⁷ *Universities Australia Indigenous Strategy 2017 – 2020*, pg 14 – “Universities Australia members commit to the following actions - aim to achieve completion rates by fields of study by 2028”.

⁸ ABS, *Census of Population and Housing, 2016*, TableBuilder. Findings based on use of ABS TableBuilder data.

⁹ ABS, *Census of Population and Housing: Characteristics of Aboriginal and Torres Strait Islander Australians, 2016*, cat no. 2076.0, March 2019

Universities are working to improve access to higher education for Indigenous students through a variety of ways. These include:

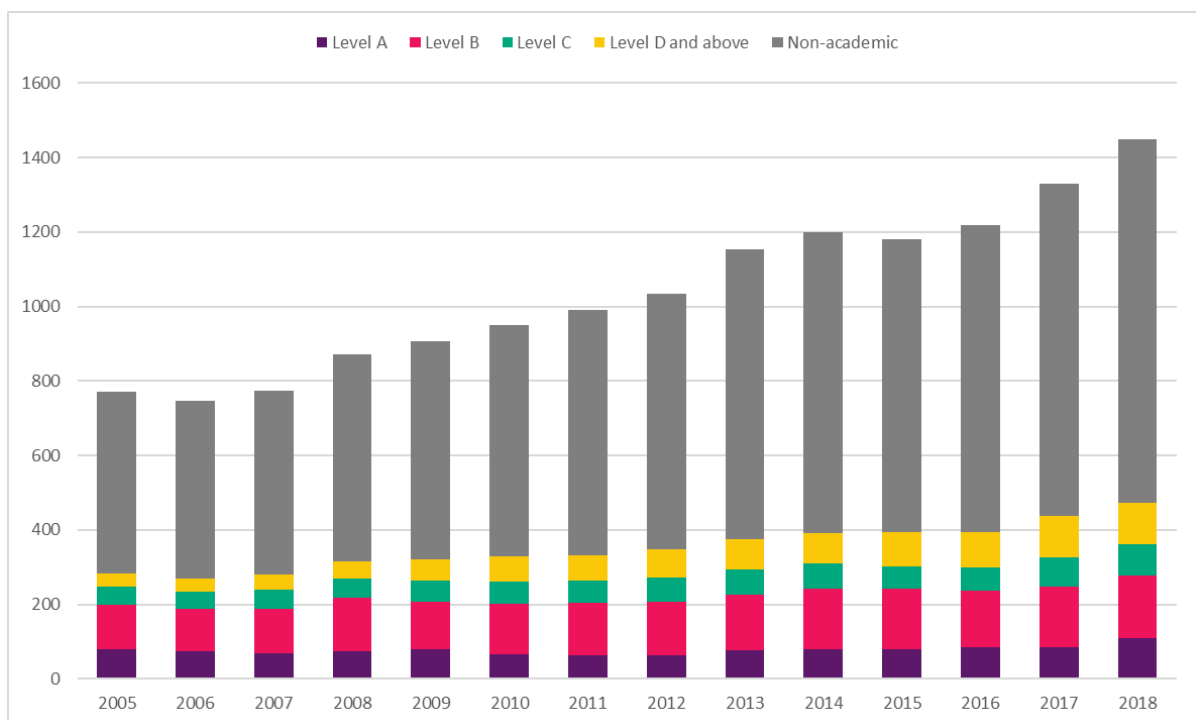
- creating strong partnerships with Elders and local communities;
- outreach and enabling pathway programs;
- dedicated, culturally safe centres for Indigenous staff and students;
- tutorial support;
- scholarship support; and
- pastoral care and support services, especially for students studying a long way from their community.

EMPLOYMENT WITHIN THE UNIVERSITY SECTOR

Universities are also committed to growing their Indigenous workforces both through actions in the UA strategy and Indigenous employment initiatives stipulated in the Australian Government’s Indigenous Student Success Program (ISSP).

The total number of Indigenous staff at Australian universities (figure 7) has grown by 88.6 per cent in 13 years – increasing from 771 staff in 2005 to 1,454 staff in 2018. From 2017 to 2018, Indigenous staff numbers grew 9.2 per cent sector wide. Around one-third of these roles are academic staff and two-thirds are professional staff.

Figure 7: Number of Indigenous staff by duties classification, 2005 to 2018



Source: DoE 2019, Unpublished HEIMS data.

The overall proportion of Australian university staff - both academic and professional - from an Indigenous background grew from 1.09 per cent in 2017, to 1.2 per cent in 2018. This remains significantly below the working-age population parity of 3.1 per cent.

INDIGENOUS LEADERSHIP WITHIN HIGHER EDUCATION

UA has made Indigenous leadership within higher education a priority through its ongoing partnership with the National Aboriginal and Torres Strait Islander Higher Education Consortium (NATSHEC). This has included looking at engagement models within the university and across the sector to:

- Increase the number of Aboriginal and Torres Strait Islanders in senior university leadership positions
- Increase engagement and responsibility of advancing Indigenous initiatives across institutions.

Through the UA strategy and the memorandum of understanding between UA and NATSHEC the following initiatives are overseen by UA.

- Indigenous observers attend two annual meetings of the 39 Vice-Chancellors (Plenary meetings). The observer role is intended to give current Indigenous leaders exposure to sector policy discussion at the highest level. This exposure may assist with advancement into other senior university roles in future. Early in 2019, on the advice of NATSHEC, the UA Board also agreed to include the NATSHEC President as an observer at these meetings.
- UA maintains formal ongoing dialogue with NATSHEC and other Aboriginal and Torres Strait Islander university leaders. To date, UA has facilitated three annual joint Board meetings between the UA Board and NATSHEC Executive to discuss progress of the UA Strategy and other important Indigenous higher education policy issues. UA has also invited NATSHEC representatives to discuss priorities with all Vice-Chancellors as part of its plenary meetings.
- Through the four UA Deputy Vice-Chancellor (DVC) Committees, developing agreed sector-wide initiatives which will be implemented in common across all member universities. For example, in 2019, the DVC Academic committee completed its first portfolio initiative with the publication of the DVC *A Good Practice Principles for Course Accreditation and Review of Indigenous Curriculum*.

IMMEDIATE NEXT STEPS FOR THE SECTOR

In 2020, UA will undertake a consultative process with the sector and its partners such as the National Aboriginal and Torres Strait Islander Higher Education Consortium to develop the next edition of actions under the UA strategy.

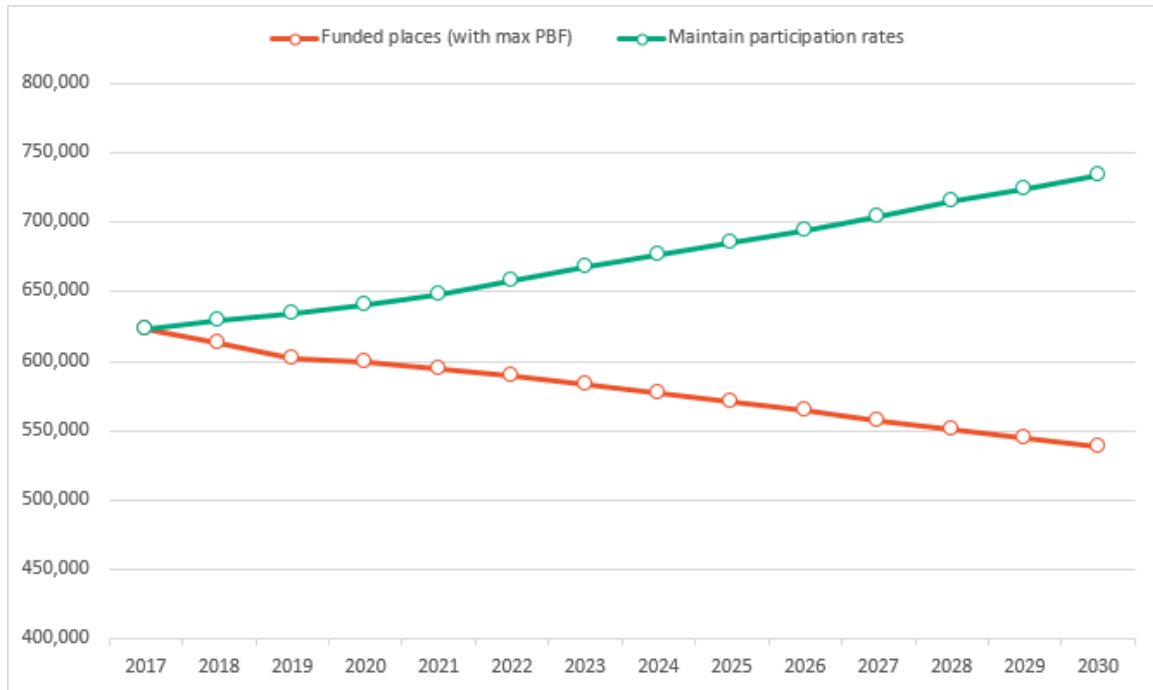
UA will also monitor the outcomes of this Inquiry to determine if there are further areas in which the higher education sector, in partnership with Government, can work to improve employment and economic outcomes for Indigenous students.

CURRENT HIGHER EDUCATION FUNDING SETTINGS

While universities are committed to improving opportunities for Indigenous students to participate and succeed in higher education, current higher education funding settings are acting against that ambition. In 2018 and 2019, aggregate funding for university places was capped at the same level as 2017. Since no allowance was made for inflation, funding has decreased in real terms over the past two years. As a result, there are fewer Commonwealth-supported places in the system now than there were three years ago.

From 2020, some additional funding will be available to universities through a new performance-based funding scheme. An increase of 1.36 per cent in 2020, and around 1.2 per cent per year thereafter based on the population growth rate for 18 to 64-year olds. These increases, however, are less than inflation. Annual growth at less than CPI means total funding continues to decline in real terms. In order to maintain resourcing per student, the number of places must fall. Commonwealth-supported places are expected to decrease by about 1 per cent – or 6000 places – per year across the decade. From 2020 to 2030, the total decrease is 60,000 or 13.5 per cent (Figure 8).

Figure 8. Number of funded university places compared with number needed to maintain 2017 participation rates



Source: UA estimates, based on ABS and Department of Education data

As these funding settings reduce the number of places that universities can offer to domestic students, there are consequent impacts on the ability of universities to grow enrolments of students from under-represented groups. This includes students from regional areas and Indigenous Australians.

The real cuts to university funding for domestic student places also threaten the ability of universities to adequately resource initiatives to continue improving Indigenous student success. Universities Australia urges the Government to consider how current university funding settings may disadvantage students that face the greatest barriers to participation in higher education.

Recommendation

Universities Australia recommends Government continue to prioritise policy and funding settings that enable universities to offer the transformative opportunity of higher education to all Australians – particularly Indigenous Australians – given the clear short and longer-term employment and social and economic benefits for graduates, their families and communities.