



9 September 2020

Senator the Hon James McGrath  
Chair, Education and Employment Legislation Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

## Job-ready Graduates Package

Emailed to [eec.sen@aph.gov.au](mailto:eec.sen@aph.gov.au)

The Association of Heads of Independent Schools of Australia (AHISA) welcomes the opportunity to comment on the Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) 2020 Bill.

AHISA understands that the Government's Job-ready Graduates Package reforms are focused on the tertiary education sector, and we welcome those elements of the reform proposals that expand tertiary education opportunities for regional, rural and remote students and for Aboriginal and Torres Strait Islander students. We are deeply concerned, however, by actual and potential perverse outcomes of other elements of the intended legislation, including:

- Disruption to the further education and/or career plans of school students currently enrolled in Years 10 to 12
- Inequity in raising the student contributions of some courses to offset higher Commonwealth contributions in other courses
- Devaluation of the importance of the Humanities disciplines and their contribution to Australia's economic and social wellbeing
- Potential perverse effects on Australia's teacher workforce
- Potential adverse effects on women and equity groups aspiring to a tertiary education.

To address these concerns, AHISA proposes two recommendations to the Committee and also supports a further recommendation, as proposed by the National Centre for Student Equity in Higher Education (NCSEHE) in its submission to the DESE consultation on the draft Job-ready Graduates Package legislation.

We welcome any inquiries you may have about this submission. These may be addressed to AHISA's Chief Executive Officer,

Yours faithfully,

**(Ms) Beth Blackwood**

AHISA Chief Executive Officer



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## ABOUT AHISA

AHISA Ltd is a professional association for Heads of independent schools.

The primary object of AHISA is to optimise the opportunity for the education and welfare of Australia's young people through the maintenance of collegiality and high standards of professional practice and conduct amongst its members.

AHISA's 440 members lead schools that collectively account for over 450,000 students, representing 11.4 per cent of total Australian school enrolments and 71 per cent of independent sector enrolments.

Some 20 per cent of Australia's Year 12 students attend AHISA members' schools.

AHISA's members lead a collective workforce of over 44,000 teaching staff and some 28,700 support staff.

The socio-economic profile of AHISA members' schools is diverse. Over 20 per cent of our members lead schools serving low- to very low-SES communities.

AHISA believes that a high quality schooling system in Australia depends on:

- Parents having the freedom to exercise their rights and responsibilities in regard to the education of their children
- Students and their families having the freedom to choose among diverse schooling options
- Schools having the autonomy to exercise educational leadership as they respond to the emerging needs of their communities in a rapidly changing society.



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## RECOMMENDATIONS

To support the 2020 Years 11 and 12 cohort of students in particular, AHISA recommends:

- 1. Delay the introduction of proposed changes to the mix of Commonwealth/student contributions to courses in Law, Accounting, Administration, Economics, Commerce, Communications and Society and Culture (which would otherwise see dramatic increases to student contributions) until 2023, to:**
  - a. Ensure 2020 Year 10, 11 and 12 student cohorts are not disadvantaged by their current subject choices**
  - b. Allow time for considered revision of this aspect of the Job-ready Graduates Package.**
- 2. Bring forward to 2021 the proposed increase in the number of Commonwealth Supported Places (CSPs) to ensure both population growth and the impact of the COVID-19 pandemic on school leavers' post-school education aspirations are accounted for in meeting student demand.**

AHISA notes points raised by the National Centre for Student Equity in Higher Education in its submission to the DESE consultation on the draft Job-ready Graduates Package legislation<sup>1</sup>, which suggest the legislation in its current form may have perverse outcomes for equity groups seeking to enrol in undergraduate courses, and we support NCSEHE's recommendation:

- 3. Examine the impact of changes to course cluster groupings and course funding allocations on equity group undergraduate enrolments, and consider measures to minimise adverse effects. This would include exploring how these funding changes impact longitudinally on diversity in affected disciplines.**

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## 1. Now is not the time to move the goal posts

Feedback from AHISA members, sought in June 2020, indicates that the Australian Government's announcement of the Job-ready Graduates Package had a profound impact on Year 12 students already concerned by the effect on their studies of remote learning and other disruptions due to the COVID-19 pandemic. As one principal commented:

'They [Year 12 students] have all commented on it and said it just all feels like additional pressure and some are considering changing courses. They feel with the drought, bushfires, COVID all impacting on their final years that this is the last straw. They are worried that they have geared subject choices around their uni pathway and that they have not even explored some of the slated 'cheaper' courses and feel really thrown by this just ahead of trial exams.'

'Most of our students feel they have had to face so many changes already – this is yet another one, and this certainly doesn't take their needs into consideration at all. Moving the goal posts once decisions have been made in terms of subjects and pathways is reprehensible.'

Several principals reported that while the Government's proposals have added to the distress and uncertainty experienced by this year's Year 12 students, the reduction in Commonwealth contributions and consequent hike in student contributions to Law, Commerce and Humanities subjects are unlikely to force a change to their tertiary course selections:

'Staff, students and parents are very concerned. I don't think it will change the course that the vast majority of Year 12 students apply for as they are too far down the path with setting goals, choosing pre-requisite subjects etc.'

'My staff and senior students are dismayed by this development. Whilst Year 12s are locked in for 2020, several students have said they will look at other tertiary pathways or study overseas in 2021.'

Several principals have commented on the impact of the proposed changes on younger year levels:

'Humanities staff are fearing the impact on subject selections for 2020 with current talk amongst Year 10s that HASS subjects are to be avoided.'

'Some of our Year 12 students have expressed concern and disappointment about the fee changes for Humanities but are not likely to change their plans for next year. I suspect that their decision to stay with their plans is based on the fact that they have been preparing for this path of study for some period of time, through their senior study choices and career planning. I suspect that the decision to change fees for Humanities will start to impact on senior subject selection over the coming years, which is a concern.'

'Our teachers of Humanities have shared some concern about how this might affect Humanities subjects in the future in secondary school.'

The process of considering post-school pathways and selecting subjects that will provide entry to that pathway begins early in students' secondary schooling careers, well before students are introduced to the formal careers development programs that typically commence in Year 10. Schools actively seek partnerships with universities to offer programs targeting middle school students with the aim of helping students identify discipline areas that excite their intellectual curiosity or passion before they select senior secondary subjects, or undertake university 'taster' courses in Year 10.<sup>2</sup>



Based on 2019 full-time and part-time student enrolments for Years 10, 11 and 12, as published by the Australian Bureau of Statistics (latest available data)<sup>3</sup>, we estimate the proposed reforms, if legislated in their current form, could affect upward of 770,000 students – for example through their attitude to subjects or courses that reflect their interests and passions and therefore their career aspirations, or through increased costs of enrolling in a Cluster 1/Band 4 courses. If the Bill stands in its present form, some students will be winners and many will be losers. The loss may not be simply a financial one, but arise from settling for career choices that are not the best fit with students' own aspirations.

The proposed course cost changes, which seek to incentivise some pathways and disincentivise others, have created uncertainty among Year 10 and Year 11 students and their families over career and subject choices. The Government's proposals send strong signals about the value of Humanities disciplines and future work opportunities for students whose interests and intended careers are based on these discipline areas. Even industry and business sectors query the validity of these signals.

In August, *The Australian* reported<sup>4</sup> that 'Both the Australian Industry Group and the Australian Chamber of Commerce and Industry are concerned that the overhaul of student fees has made too many assumptions about what a post-coronavirus job market will look like'. The article included comment by AiG's Director of Workplace Engagement, Megan Lilly, who said, 'The one thing we know about the jobs market is that all the balls are in the air . . . we have to be as open as possible to lots of different growth areas'.

The difficulty of predicting future job growth areas has also been raised by academics<sup>5</sup>. Academics have also vigorously defended the value of the Humanities to society and to the individuals who pursue a career in Humanities fields.<sup>6</sup> This public debate is welcome and informative but cannot address the alarm and distress of students, only affirm that is unnecessary.

For students currently in Year 12, whose senior year has already been dramatically disrupted, the alarm and distress is more intense. As well as having their choice of career or study cast into doubt, it is possible that some 40 per cent of the 'class of 2020' will face substantial increases to the cost of their university education as a result of the changes to Commonwealth and student contributions to course costs as proposed in the Job-ready Graduates Package. Instead, these students, their parents and educators have hoped all school leavers in 2020 would have received special consideration by the federal and state and territory governments of the support needed to smooth their transition into tertiary education.

As well as ethical considerations relating to 'moving the goal posts' for students already locked into subject choices linked to their chosen post-school pathways, there is also deep concern among principals regarding the equity of raising the student contributions of some courses to offset higher Commonwealth contributions in other courses.

Given that most students in Years 11 to 12 in 2020 will already have minimal opportunity to change their senior secondary course selections and tertiary course ambitions, and that many of this year's Year 10 students will already have chosen their intended post-school pathways, AHISA recommends:



**RECOMMENDATION 1**

**Delay the introduction of proposed changes to the mix of Commonwealth/student contributions to courses in Law, Accounting, Administration, Economics, Commerce, Communications and Society and Culture (which would see dramatic increases to student contributions) until 2023, to:**

- a. Ensure 2020 Year 10, 11 and 12 student cohorts are not disadvantaged by their current subject choices**
- b. Allow time for considered revision of this aspect of the Job-ready Graduates Package.**

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## 2. What the research says about the impact of a recession on school leavers

The Australian Government's Job-ready Graduates Discussion Paper<sup>6</sup> notes that the Government's policy package aims to address the issue of increased demand for university places due to the 'Costello baby boom' effect, that is, a population boom currently moving through Australia's schooling system and expected to affect demand for university enrolments in the mid-2020s (page 13).

The Discussion Paper also notes that in light of the economic impact of the COVID-19 pandemic, 'the higher education system . . . will need to meet an unexpected spike in demand from school leavers' (page 4):

Experience shows demand for higher education tends to increase in times of economic slowdown. In 2009, the first year after the Global Financial Crisis, higher education applications increased by 5.6 per cent on the previous year (National Applications, Offers and Acceptances Data Collection). Generally speaking, every percentage point increase in the youth unemployment rate (15-19 year olds) can be expected to produce a similar percentage point increase in school leaver higher education applications. To consider a worst case scenario, if youth unemployment were to rise from 16.4 per cent to 30 per cent this could increase demand from Year 12 students by 20,000 places or more per year (The Department of Education, Skills and Employment's internal analysis, 2020). It is critical that we provide extra capacity in the system to respond to these demand pressures.

Further evidence points to the economic impacts suffered by school leavers during periods of recession. A recent report by EY Oceania economists on the impact of recessions on the potential growth of earnings and superannuation of young Australian workers notes that 'a recessionary jobs market can have a disproportionate medium-term impact on those early in their career and with limited experience, through lower wage growth and fewer opportunities and flexibility'.<sup>7</sup>

EY's Australian research reflects the findings of research published by Stanford University's Institute for Economic Policy Research in 2019, which found that not only do those entering the workforce during a recession following college graduation suffer negative economic impacts, they also experience higher health and mortality rates in midlife, including 'significantly greater risk of drug overdoses and other so-called "deaths of despair"'.<sup>8</sup>

Research recently published by the Centre for Economic Studies at Ludwigs-Maximilians University (CES) focuses specifically on the impact of recession of school leavers, taking into account business cycle fluctuations across birth cohorts for 28 developed countries.<sup>9</sup> Like the findings mentioned in the Job-ready Graduates Discussion Paper and noted above, the research found that 'bad economic conditions at high-school graduation increase college enrolment and graduation'. The research also found that economic downturns affect the outcomes of school leavers in later life, increasing cognitive skills and improving labour-market success. Of interest is that these positive outcomes are 'affected only by the economic conditions at high-school graduation, but not by those during earlier or later years'.

The CES research suggests there is a very narrow window of opportunity if 2020's Year 12s are to gain a 'bounce' from the economic challenges caused by the COVID-19 pandemic in terms of their 2021 post-school education and training.



Given the Government's own understanding of drivers of demand for tertiary places and research indicators, coupled with the research findings noted above, there would appear to be a moral imperative as well as an economic benefit to optimising the opportunity for further education and training for all 2020 school leavers, irrespective of their course of choice.

The Government's JobTrainer package<sup>10</sup>, which aims to support those already in apprenticeships and traineeships and to support school leavers to engage in vocational education and training courses, seems to recognise the importance of meeting increased demand for education and training among school leavers. School leavers who aspire to tertiary education should also be accorded support.

In this respect, AHISA supports the Government's proposals to increase the number of Commonwealth Supported Places and introduce greater flexibility for universities to transfer CSPs between disciplines and courses levels in response to student demand.

We further recommend:

#### RECOMMENDATION 2

**Bring forward to 2021 the proposed increase in the number of Commonwealth Supported Places (CSPs) to ensure both population growth and the impact of the COVID-19 pandemic on school leavers' post-school education aspirations are accounted for in meeting student demand.**



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### 3. The potential impact of changes to student fees on Australia's teacher workforce

While principals' most immediate concern – as expressed to AHISA in June – was the impact of the Job-ready Graduate Package proposals on their students, some also expressed concern about their impact on the future of the teacher workforce.

As well as pointing to the need for teachers of Humanities who are passionate about their discipline area and who have studied it at depth, there was concern among principals that incentivising enrolment in initial teacher education courses at the expense of Humanities courses could have perverse effects:

'Many teaching degrees are based on Humanities, and many students decide to become teachers part way through such degrees. So, people who want to study Humanities could apply to be teachers – but shouldn't; others wanting to study Humanities who might become teachers after a well-considered decision process at a later date, won't, because they possibly couldn't afford to study the Humanities course of their choice.'

'Manipulation of student course selection like this is appalling. To think that we may well end up with people choosing a teaching degree simply because it is cheaper is clearly a fundamentally flawed selection criteria.'

Anecdotal evidence points to strong support among AHISA members for the introduction of two-year Masters of Teaching courses, undertaken following a Bachelors degree in a specific discipline area. There is concern that dramatically lowering the cost of undergraduate teaching degrees – while potentially increasing the overall number of graduate teachers – will have the perverse effect of decreasing the number of graduate teachers with deep discipline knowledge.

This approach to teacher education is all the more puzzling given the Australian Government's interest in raising the academic quality of initial teacher education course entrants and graduates – by raising ATAR score requirements for course entry and requiring a LANTITE pass to qualify for graduate certification – and its substantial financial investment in its High Achieving Teacher Program.<sup>11</sup> Under the latter program, Teach for Australia and La Trobe University will recruit and place high achieving graduates in disadvantaged or regional schools under a two-year employment-based pathway into teaching, at a cost to the Government of almost \$44 million between 2020 and 2022.

If subject mastery and pedagogical expertise are recognised by the Government as the twin drivers of student achievement at secondary level, urgent consideration must be given to the potential impact of the proposed higher education reforms on Australia's teacher workforce. Delaying the proposed changes to Commonwealth/student contributions to undergraduate courses, as per AHISA's Recommendation 1, could be the best means to achieve the time needed to make this assessment.

## 4. Further equity concerns

In spite of limited time for the public to consider the proposed Job-ready Graduates Package, a number of equity concerns have been identified by academics.

We highlight for your attention specific concerns raised by the National Centre for Student Equity in Higher Education (NCSEHE) in its submission to the DESE consultation on the draft Job-ready Graduates Package legislation.<sup>12</sup>

Some elements of the reforms proposed in the Job-ready Graduates Package have the potential to benefit young Australians, particularly Aboriginal and Torres Strait Islander students and students from regional, rural and remote areas. The appointment of a Regional Education Commissioner, the proposed Indigenous, Rural and Low SES Attainment Fund (IRLSAF), and the establishment of additional Regional University Centres are among initiatives that promise to help address tertiary education access issues experienced by target groups of disadvantaged students.

As NCSEHE points out, however, ‘the proposed reforms are limited to a focus on select equity groups and may exclude other under-represented or disadvantaged groups, such as students with disability’. If the access and retention issues of students with disability are not encompassed within the Job-ready Graduates Package, the Government must prepare to address them as an outcome of the 2020 Review of the Disability Standards for Education 2005.

NCSEHE further points out in its submission that the proposed changes to Commonwealth and student contributions to course costs have the potential to disadvantage target equity groups:

... Equity students have historically favoured qualifications in clusters such as Social Studies, Political Science & Behavioural Science, Teaching, and Nursing, while remaining under-represented in professional (Law & Economics; Management & Commerce etc.) and Medical disciplines. The move of Social Studies, Political Science & Behavioural Science into the new Band 4 cluster sees its annual student contribution rise to A\$14,500 per annum in 2021, up from A\$6,804 under current arrangements, placing it alongside the professional degrees. This may be one instance in which the change in fee structure alters student demand, to the detriment of equity students who have long viewed this discipline cluster as an option. (Page 9)

The points raised by NCSEHE are further instances of the potential of the Job-ready Graduates Package to create unintended outcomes, indicating an urgent need for further consideration of the legislation. AHISA supports NCSEHE’s recommendation that:

### RECOMMENDATION 3

**Examine the impact of changes to course cluster groupings and course funding allocations on equity group undergraduate enrolments, and consider measures to minimise adverse effects. This would include exploring how these funding changes impact longitudinally on diversity in affected disciplines.**

Academics at The University of Queensland have highlighted the inequitable outcomes of the proposed increase in student fees for Humanities and Communications courses on women<sup>13</sup>:

The reality is that humanities and social science disciplines attract more students than any other subject areas – the majority of whom are women. Women have consistently



represented the bulk of enrolments in humanities and social science disciplines over the past ten years. In 2018, they accounted for two-thirds of enrolled students.

As the authors point out, increasing student fees in these disciplines to ‘shore up an effective reduction in government funding’ means that it is women who will bear the brunt of the costs of this ‘saving’. This inequity is compounded by the generally lower earnings of female graduates to their male counterparts.

It is by no means clear that punitive increases in student fees for Humanities courses and reductions in fees for STEM courses will redress the gender imbalance among STEM graduates, an objective of other Government programs, including the Advancing Women in Stem strategy and the National STEM School Education Strategy.<sup>14</sup> Once again, it is possible that the attempt to engineer students’ choice of university courses through a mix of financial incentives and disincentives may not only fail to achieve the Government’s purposes but undermine existing national goals, strategies and programs.

The potential of the proposed Job-ready Graduates Package to generate negative and perverse effects must be assessed prior to passage of the legislation if unnecessary and inequitable harms are to be inflicted on young Australians. ■

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## NOTES

<sup>1</sup> NCSEHE's submission to the Job-ready Graduates Package draft legislation consultation is posted at <https://www.ncsehe.edu.au/submission-job-ready-graduates-package-draft-legislation-consultation/>.

<sup>2</sup> Wilson L (2014) From school to university: The education continuum. *Independence*, Vol 39(1):14-21; available at <https://independence.partica.online/independence/independence-vol-39-no-1-may-2014/flipbook/18/>.

<sup>3</sup> ABS, Schools Australia series 4221.0, Table 42b – Number of full-time and part-time students, 2006-2019; accessed at <https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4221.02019?OpenDocument>.

<sup>4</sup> Ferguson R (2020) Business doubt on jobs after university fee move. *The Australian*, 19 August 2020; accessed at <https://www.theaustralian.com.au/higher-education/business-doubt-on-jobs-after-university-fee-move/news-story/810da878ba8c6543c4d1ff410b32c6fd?btr=2eea470ac3737d600088007973e73391> (paywalled).

<sup>5</sup> See for example: Peetz D (2020) Can government actually predict the jobs of the future? *The Conversation*, 26 June 2020, available at <https://theconversation.com/can-government-actually-predict-the-jobs-of-the-future-141275>.

<sup>6</sup> See for example an open letter to federal Minister for Education, the Hon Dan Tehan, signed by 73 senior academics and published by *The Conversation* on 21 July 2020, available at <https://theconversation.com/an-open-letter-to-australias-education-minister-dan-tehan-signed-by-73-senior-professors-142989>.

<sup>6</sup> The discussion paper is posted at <https://www.dese.gov.au/document/job-ready-graduates-discussion-paper>.

<sup>7</sup> Masters J & Barker B (2020) *Driver or Passenger: How recessions impact young Australian workers*. EY Oceania public policy report; available at [https://www.ey.com/en\\_au/public-policy/driver-or-passenger-how-recessions-impact-young-australian-workers](https://www.ey.com/en_au/public-policy/driver-or-passenger-how-recessions-impact-young-australian-workers)

<sup>8</sup> Schwandt H (2019) *Recession graduates: The long-lasting effects of an unlucky draw*. SIEPR Policy Brief, April 2019; available at <https://siepr.stanford.edu/research/publications/recession-graduates-effects-unlucky>.

<sup>9</sup> Hampf F, Piopiunik M & Widerhold S (2020) The effects of graduating from high school in a recession: College investments, skill formation, and labor-market outcomes. *CESifo Working Papers*, No 8252, April 2020; available at <https://www.cesifo.org/en/publikationen/2020/working-paper/effects-graduating-high-school-recession-college-investments-skill>.

<sup>10</sup> Information on the Australian Government's JobTrainer package is posted at <https://www.dese.gov.au/news/jobtrainer-package-announced>.

<sup>11</sup> Information on the Australian Government's High Achieving Teachers Program is posted at <https://www.education.gov.au/alternative-pathways>.

<sup>12</sup> See note (1) above.

<sup>13</sup> Gannaway D & Dunn G (2020) Why degree cost increases will hit women hardest. *The Conversation*, 7 August 2020. Accessed at <https://theconversation.com/why-degree-cost-increases-will-hit-women-hardest-141614>.

<sup>14</sup> Information on the Australian Government's Advancing Women in Stem strategy can be found at <https://www.industry.gov.au/data-and-publications/advancing-women-in-stem-strategy>. Increasing the participation of girls in STEM is also a goal of the National STEM School Education Strategy, accessed at <http://www.educationcouncil.edu.au/site/DefaultSite/filesystem/documents/National%20STEM%20School%20Education%20Strategy.pdf>.