

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2014 - 2015**

Outcome: Higher Education Research and International

Department of Education and Training Question No. SQ15-000175

Senator Carr, Kim provided in writing.

Also refer to previous Question No. SQ15-000173

The GCA publication GradStats also draws attention to a decline in graduates' starting salaries

Question

"The GCA publication GradStats also draws attention to a decline in graduates' starting salaries. In 2008, graduates' starting salaries sat at around 80% of male average weekly earnings. In 2014 the corresponding level was less than 75%.

Back in 1977, graduate starting salaries sat at 100% of male average weekly earnings.

(a) What are the policy implications here?

(b) Do you think this trend could suppress demand, long-term?

(c) Has the department factored in predictions about graduate employment and graduate starting salaries to your projections of future demand?

(d) How will these factors affect demand?"

Answer

- a) Questions relating to policy matters should be directed to the Minister for Education and Training.
- b) There is no evidence that changes in graduate starting salaries as a proportion of male average weekly earnings affect demand. Between 2009 and 2014, applications for a place at university increased by 10.3 per cent (Tertiary Admissions Centres applications only).
- c) Future graduate employment rates and graduate starting salaries are not included as factors in the department's forward estimates for enrolments of higher education students.
- d) The demand driven system has significantly improved the ability of the higher education system to meet labour market needs. Prospective students are able to respond to feedback from the labour market, and universities have flexibility to accommodate changes in the employment aspirations of students.