Australian Academy of the Humanities response to the *Driving Innovation, Fairness and Excellence in Australian Higher Education* consultation paper
July 2016

Thank you for the opportunity to comment on the *Driving Innovation, Fairness and Excellence in Australian Higher Education* Consultation Paper.

The Australian Academy of the Humanities (AAH) is one of Australia's four Learned Academies, established to advance knowledge and the pursuit of excellence in the humanities for the benefit of the nation. A key role of the AAH is to provide independent expert advice to government and policy makers, promoting the social significance of humanities scholarship and its vital importance in shaping effective public policy.

The humanities together with the arts and social sciences (the HASS sector) form a sizeable part of the higher education and research system. HASS teaches 65% of Australia's university students with 52% of academic staff.[1] HASS produced 69% of student completions in 2014. Given the scale of the contribution, HASS has a considerable stake in the agenda that is being developed.

Below we respond to the overarching principles and priorities for higher education reform, then address some of the specific measures identified 'for finalisation' in the paper, noting that higher education providers are better placed to respond to some of the issues raised.

1. Overarching principles, rationale and scope of the reform agenda

The paper suggests some profound changes to higher education funding yet many of these proposed changes have not been modelled sufficiently. It is imperative to ensure that there are no perverse outcomes or adverse consequences for institutions, students and disciplines. The AAH urges that the following key principles are kept in view:

- The Government must take a **long-term, whole-of-system-system approach** to education, research and infrastructure planning and investment. There is a risk to the overall health of the system, and its potential to deliver social, cultural, environmental and economic benefits to the nation, if higher education and research policy aims to improve outcomes in one area without keeping the broader system in view.

  There is a need for more public discussion and policy thinking about the proposed changes given that a number of new policy options are canvassed, together with abridged versions of reforms proposed as part of the Higher Education Reform

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package. On this point we strongly endorse the comments made by Professor Ross Garnaut: that we need to:

> step back and look at some of the complexities related to the nature of the markets in which universities work, the relationship between the domestic and international education sector … between research and teaching, and … between investment in education and long-term economic growth.[2]

- We need to **ensure that disciplines of national importance/capability are not disadvantaged** by the proposed changes. The demands of students and employers need to be balanced with national knowledge and capability requirements.

  The AAH's own research on the HASS disciplines indicates a need for 'greater oversight of the system in order to monitor and, where considered necessary, moderate the effects of the market on our national capabilities in teaching and learning'. To this end, there is a 'need for systemic incentives for individual institutions to make decisions about patterns of offerings that take into account agreed national priorities rather than merely responding to short-term shifts in the market for their services'.[3]

- AAH supports the objective of a **more equitable and sustainable system across student cohorts and qualification levels**. The burden of cost should not fall disproportionately on students. Our public university system delivers long-term public goods.

  On the related issue of achieving equity and diversity of participation, we would stress that these are fundamental to achieve the National Innovation and Science Agenda (NISA) innovation objectives. Addressing these system failings and gaps is in the national interest. For example, Australia's 'long tail' of science, technology, engineering and mathematics (STEM) underperformance is an equity and innovation challenge (lower socio-economic students, regional gaps, gender disparities).

- AAH encourages the Government to **draw on the advice and leadership from across the full spectrum of disciplines**. The formation of an Expert Advisory Panel to 'provide advice on the content and implementation of the final package' (p. 5) will need to be representative of both the HASS and STEM sectors. This will be vital to achieving a whole-of-system view, securing the confidence of the sector, and setting our higher education system up for the future.

- The paper references the NISA. The AAH welcomes the **focus on a broad, diverse and inclusive innovation agenda**. This means adopting a broad definition of industry (inclusive of public sector, the not-for-profit sector, etc) and recognising and fostering the skills mixes and methods that lead to innovation.

  A recently released report from the Australian Council of Learned Academies (ACOLA) *Skills and Capabilities for Australian Enterprise Innovation* finds that Australia can be a more effective innovator if governments, industry, education and

research institutions adopt a holistic system-level approach to innovation and skills policy settings.[4] Tackling Australia's innovation challenges requires a thorough and diverse mix of technical and non-technical capabilities in individuals, across teams, organisations, industries and innovation ecosystems.[5]

2. Expanding the demand-driven system

There is evidence that the 'demand-driven system has led to some market failures with implications for the national interest'.[6] The *Mapping the Humanities, Arts and Social Sciences* report finds that in the HASS disciplines short-term fluctuation in demand has had implications for areas of strategic importance but low enrolment (such as some languages); and that there are signs that there is an increasing concentration of HASS offerings in the metropolitan universities, thus limiting the opportunities of those students wishing to study HASS subjects in regional Australia.

Any expansion of the system, therefore, needs to be cognizant of the 'complexities of the markets in which universities operate' (to repeat Garnaut's point) and ensure the system also has the power to moderate the effects of the market on our national capabilities in teaching and learning.

The effects of these changes have already been felt in HASS – where the full-time (FTE) continuing staff growth has not kept pace with enrolments. There is evidence of widening staff-student ratios and unsustainable models of casualisation (especially in terms of sessional teaching staff). In the HASS disciplines over the 2002-2012 period, there was 43% increase in casuals as against 13% in FTE.[7] This widespread strategy of cost reduction adopted by many universities has consequences including the diminution of career prospects, lack of staff and curriculum development, reduced research capability, and the alienation of junior staff from the sector – all of which raises questions about the renewal of the workforce into the future.

3. Postgraduate places

In order to make informed comment, particularly regards the nature of the independent process and the development of criteria of economic, societal and academic need, the AAH would need to see further details. At this stage in the process, we can say that we agree with the assumption implicit in better target Commonwealth support to those postgraduate courses identified as delivering significant community benefit where private benefits may be more limited.

The prospect of allocating additional places for skills-deepening qualifications consistent with NISA has potential but only insofar as this is a broad agenda delivering social, cultural, economic and environmental benefits. Innovation requires a broad set of capabilities, well beyond technical competence, likewise the much-cited need for digital literacy. This is both a technical and cultural adeptness. A recent report by ACOLA has found that innovative enterprises employ and develop people with broad knowledge bases and 'strong integrative skills beyond a single discipline'.[8] This demand for integrative/multi-disciplinary skill sets

(essentially 'skills mixing' of HASS and STEM) has implications for research training, specifically the extent to which students engage in multi-disciplinary collaboration.

With regards a time-limited learning entitlement for Commonwealth subsidies (for example, seven years) the AAH would question whether this disproportionately disadvantages women, students from regional areas, Indigenous students and students from low socio-economic backgrounds. In ensuring equity of access, we would question whether a one-size-fits-all model is the way forward?

The proposal to introduce demand driven funding for some or all postgraduate coursework courses is speculative at this stage and AAH is unable to provide informed comment in the absence of robust and sophisticated modelling.

Any change to postgraduate allocation and funding also needs to keep in view, and is contingent on, other policy settings:

- The level of postgraduate stipend – directly correlated with the attraction and retention of quality researchers.
- RTS – the high-cost/low-cost funding model for research training requires review to better reflect the actual costs of the research training activities it is designed to fund.
- The findings of the Berendt Review – and the ACOLA Review of Research Training – regards participation of and incentives for Indigenous students (including that RTS allocations and Australian Postgraduate Award (APA) funding needs to match universities targets for Aboriginal and Torres Straight Islander students. The AAH commends the proposal in the Department's *Sharper incentives for engagement* consultation paper which would see the weighting for HDR completions by Indigenous students doubled.
- Net effect of the proposal to cut the RTS by 10%, and the pressure on student enrolments to cross-subsidise research. This will be untenable if there are overall cuts to higher education funding. The AAH welcomes the fact that Government is going to be working with Universities Australia to investigate the relative cost of delivery of higher education.

4. Graduate outcomes

More work on graduate outcomes is welcome. Graduate Destinations data provide a schematic/indicative picture of outcomes (including salaries) of graduates by employment sector but the data are not robust or comprehensive. There is no quick fix however. Longitudinal data is required across all disciplines but particularly for those disciplines whose graduates are not as closely tied to structured career paths provided by professional training programmes. Improving data collection and analysis will help better understand the opportunities, and improve policy and programme design and evaluation.

5. A sustainable funding model

The AAH has highlighted the urgent need for a re-evaluation of funding differentials of the cluster model for a number of years. The differentials in the delivery of higher education teaching have changed markedly over the last twenty years across all disciplines. Online

teaching, technological advancements and 24-hour email access are just some of the most overt transformations. A thorough reassessment to dramatically reduce the differentials is needed.

Shifts in the current shape of the sector demonstrates that changes in policy settings – such as those determining discipline cluster funding – can have significant ramifications on course offerings and research expertise in the medium to long term that are not necessarily evident in the short term. The *Mapping the Humanities, Arts and Social Sciences* report found some evidence of institutional dis-investment in HASS in response to cluster funding – and shifts in student demand. Importantly the report also identified associated pressures in the system, notably the casualisation of the academic workforce (documented above) and with regard to staff-student ratios. Over 2002-12, the average SSR in HASS was 22.6, while in STEM it was 16.8. This was preceded by increase in HASS SSRs over the previous decade of between 27% and 35%.[9]

Regarding a sustainable funding model and how much of the cost should be borne by students, there are concerns in the sector that the reforms mean that 'student fees would need to rise by 30% to compensate for the proposed CGS reduction'.[10]

Regarding a sustainable funding model and how much of the cost should be borne by students, we would point to the work of Bruce Chapman and Tim Higgins, for the Mitchell Institute, who modelled 'the structure and settings required to make a single income contingent loan scheme sustainable'.[11] Chief findings of this modelling included:

- that 'great care must be taken in how student contributing levels are set and funding through income contingent loads, as where loan amounts exceed students' capacity to repay, significant public subsidies to providers in the short term and students in the long term are created'[12]; and
- the need to attend to gender disparities (lower female participation and the gender pay gap, particularly in relation to VET qualifications). On this point, the AAH (in concert with the Australasian Deans of Arts, Humanities and Social Sciences – DASSH) would note that in many HASS fields female students outnumber men[13], so this has the potential to affect HASS students disproportionately.

We would be happy to elaborate on any of the feedback in this submission. Please direct your initial enquiries to our Executive Director, Dr Christina Parolin.

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President

NOTES

[1] Turner, G. and Brass, K. (2014) *Mapping the Humanities, Arts and Social Sciences in Australia*, Australian Academy of the Humanities, Canberra. http://www.humanities.org.au/Portals/0/documents/Policy/Research/MappingProject/txt/Mapping_HASS_Aust_FinalReport_All_Oct2014.pdf

[2] A point made by Ross Garnaut at a Melbourne Economic Forum on higher education forum, see http://www.melbourneeconomicforum.com.au/forums/higher-education-and-vocational-education and

quoted in Tim Dodd 'Where are the CEOs in the push for deregulation?" *Australian Financial Review*, 30 March 2015, p. 34.

[3] Turner and Brass, p. 37.

[4] Cunninhgam, S., Theilacker, M., Gahan, P., Callan, V., and Rainnie, A. (2016) *Skills and Capabilities for Australian Enterprise Innovation*, Australian Council of Learned Academies, Melbourne, p. 5. http://www.acola.org.au/pdf/saf10/Full%20report.pdf

[5] ibid., p. 5.

[6] Turner and Brass, p. 91.

[7] Turner and Brass, p. 77.

[8] Cunningham et al., p. 9.

[9] Turner and Brass, p. 28.

[10] Warburton, M. (2016) 'The Surprise Hidden in the Higher Education Discussion Paper', *The Mandarin* 11 May 2016, www.themandarin.com.au/64744-the-surprise-hidden-in-the-higher-ed-discussion-paper/

[11] Noonan, P. (2015) 'A Model for Tertiary Education Funding in Australia', paper presented at the *Australian Financial Review* Higher Education Summit, Wednesday 28 October 2015, http://www.mitchellinstitute.org.au/presentations/a-model-for-tertiary-education-funding-in-australia/

[12] Ibid; see also Higgins, T. and Chapman, B. (2015), *Feasibility and Design of a Tertiary Education Entitlement in Australia: Modelling and Costing a Universal Income Contingent Loan*, commissioned report to the Mitchell Institute for Health and Education Policy, Melbourne. http://www.mitchellinstitute.org.au/wp-content/uploads/2015/07/Feasibility-and-design-of-a-tertiary-education-entitlement-in-Australia.pdf

[13] Drawing on analysis conducted by Dr Ian Dobson, the *Mapping the Humanities, Arts and Social Sciences in Australia* report found that across HASS, female students are the largest group. In 2012, of all students enrolled in Society and Culture programmes, 64% were women – but there is a high degree of variation in sub-fields: the proportion of female students ranged from 50% in Philosophy and Religious Studies, to 83% in Human Welfare Studies.