

17 August 2020

Department of Education, Skills and Employment  
GPO Box 9880  
Canberra ACT 2601

## Job-ready Graduates Package draft legislation – DESE consultation

Emailed to [Hereform@dese.gov.au](mailto:Hereform@dese.gov.au)

The Association of Heads of Independent Schools of Australia (AHISA) welcomes the opportunity to contribute to the Department's consultation on draft legislation for the Australian Government's Job-ready Graduates Package.

AHISA understands that the focus of the reform package is the tertiary education sector, and we particularly 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 the potential impact of aspects of the reform package on school students currently enrolled in Years 10 to 12.

Our submission briefly sets out our concerns and supporting evidence. We expect to make a more detailed submission to any inquiry initiated once legislation is introduced to Parliament. At this time we recommend:

- 1. That the introduction of proposed changes to the mix of Commonwealth/student contributions to courses in Law & Economics, Management & Commerce, Social Studies, Political Science & Behavioural Science, and Communications (which would see dramatic increases to student contributions) be delayed 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. That consideration be given to bringing forward 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.**

We welcome any inquiries you may have about this submission. These may be addressed to AHISA's Chief Executive Officer, telephone (02) 6247 7300, email [ceo@ahisa.edu.au](mailto:ceo@ahisa.edu.au).

Yours faithfully,

**(Ms) Beth Blackwood**

AHISA Chief Executive Officer

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

Feedback from AHISA members indicates that the Australian Government's announcement of the Job-ready Graduates Package in June 2020 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>1</sup>

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

**That the introduction of proposed changes to the mix of Commonwealth/student contributions to courses in Law & Economics, Management & Commerce, Social Studies, Political Science & Behavioural Science, and Communications (which would see dramatic increases to student contributions) be delayed 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.**

#### Additional concerns

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.

Principals (many of whom are credentialed in Humanities disciplines) also expressed concern that the Government's proposals not only ignore the importance of the Humanities in a highly disrupted economic environment but send a signal that devalues Humanities disciplines. These issues have already been widely discussed by many academics.<sup>2</sup>

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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 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>3</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>4</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>5</sup> Like the findings mentioned in the 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 tertiary study for all 2020 school leavers, irrespective of their course of choice.

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

**That consideration be given to bringing forward 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 disincentivising the study of the Humanities 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.”

Given the Australian Government's interest in raising the academic quality of entrants to and graduates from initial teacher education courses, the impact of the proposed higher education reforms on the teacher workforce deserves consideration before the legislation is finalised. ■

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## NOTES

<sup>1</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>2</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>3</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>4</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>5</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>.