

21 July 2020

Notice of Motion, Cr Watts: Arts and Humanities Higher Education funding

**Motion**

1. That the Future Melbourne Committee
  - 1.1. Notes that:
    - 1.1.1. Melbourne has global recognition as a Knowledge City, a city of Arts and Culture, and is a UNESCO City of Literature. The key role of universities is to deliver both education and engage in research while at the same time functioning as businesses within the city's Knowledge Economy
    - 1.1.2. The City of Melbourne is home to nine Universities, some of which are dual sector. Universities are major institutional employers.
    - 1.1.3. The Knowledge and Creative Arts Sectors are key drivers in the economy of this city and its society. Both sectors are dependent upon the Humanities, Arts, and Social Sciences delivered through university education and engagement in research.
    - 1.1.4. The Commonwealth Government has proposed significant changes to the funding model for universities which includes the imposition of disproportionate increases to course fees for arts, humanities and social science tertiary students.
    - 1.1.5. The Commonwealth Government has proposed additional university places, funding of which is to be delivered through adjustment to fees charged in targeted courses in the Humanities, Arts and Social Sciences and, notably, no additional funding for the university sector.
  - 1.2. Expresses the view that proposed changes will have the following impact:
    - 1.2.1. Will adversely impact on Melbourne's Knowledge and Creative economies and upon the capacity of the university sector to deliver education and sustain their research.
    - 1.2.2. Are contrary to the principles of equitable educational opportunity in this country representing an ideological strategy to impose price signals on education
    - 1.2.3. Are contrary to the compelling research and business opinion from diverse sources, which clearly recognises the immense value of the Arts, Humanities and Social Sciences studies across the business sector to solve problems by connecting diverse ideas and themes across the academic disciplines, including businesses which are based on technical and science areas.
    - 1.2.4. Are likely to prevent, discourage or divert students from gaining marketable skills, broad-based education and critical thinking necessary to sustain the robust, diverse intellectual culture of the City of Melbourne which underpins its economy.
    - 1.2.5. Introducing inequitable price disparities between areas of study likely to result in the students from disadvantaged backgrounds in particular making course decisions based on their capacity to incur debt, not their interests, capabilities or aspirations.
    - 1.2.6. The social, political, cultural and economic consequences of the proposed changes on the City of Melbourne and the nation will be dire.
  - 1.3. Requests that the Lord Mayor write to the Prime Minister and the Federal Minister for Education on behalf of the Council to object to the proposal in the strongest terms, citing the reasons in this resolution, and to requesting that these proposals be reconsidered or abandoned.

## Background

1. Universities Industry Electoral analysis of the proposed reforms indicates that:
  - 1.1. Annual contributions per student in the Humanities will increase by 113 per cent, in Creative Arts by 13 per cent and 28 per cent for Law, Economics, Management and Commerce. Student contributions will remain unchanged for Dentistry, Medicine and Veterinary Science and fall by 20–60 per cent for all other disciplines.
  - 1.2. On average, student fees will increase by 7 per cent, while average government funding per place falls by 15 per cent. The net impact on average total funding per place is a reduction of nearly 6 per cent. The average mix of public and student contributions is estimated to fall from 58:42 to 52:48 following the reforms, shifting a greater burden of cost to students.
  - 1.3. An additional 39,000 student places at university by 2023 will be funded by these reductions in public contributions per student place. (Margaret Gardner, Monash University)
  - 1.4. The impact of these funding arrangements on university course provision and student demand is unclear. Student responses to price signals where these costs are deferred through HECS are purposely blunted, a point reiterated by the designer of HECS Professor Bruce Chapman in relation to these reforms. Previous attempts to drive student choice through targeted HECS reductions have been unsuccessful.
  - 1.5. University responses are also unclear as changes to the average total funding per place (government and student contributions) often work against the government's stated intentions, with universities receiving more per place for Law, Economics, Commerce and the Humanities, and less for Maths, Languages, Engineering and Agriculture. For example, Science and Engineering courses will see an overall 16 per cent reduction in funding per place. Former Minister for Education and Chancellor of ANU, Julie Bishop, are among those to reflect on the perverse consequences of these reforms. Universities will receive less, overall, to teach STEM courses such as science and engineering, and more to teach humanities subjects. Consequently if student demand remains stable, then it may become uneconomical for universities to offer courses that now have a reduced-price (but that are expensive to teach/are run on small margins e.g. science and engineering) but it will become economically rewarding for universities to enrol more humanities students because the margin (of the combined government + student contributions) is even higher.
2. Research on current and future workforce needs indicates that:
  - 2.1. 74% of employers surveyed would recommend an arts education to prepare for success in today's global economy. In addition, 75% of employers want new hires with the skills that the humanities teach: critical thinking, complex problem solving, and written and oral communications.
  - 2.2. A report by the US Campaign for Social Science shows that 84% of social science graduates were in employment 3.5 years after they finished their degree, compared with 78% of STEM (science, technology, engineering and mathematics) graduates.
  - 2.3. Unemployment rates are low for liberal arts graduates and decline over time: as the Commonwealth Minister for Education, Dan Tehan, pointed out in 2019, the unemployment rate for graduates is 3.3 per cent. The unemployment rate for mature workers with arts degrees (aged 41 to 50) is about .05percent higher than the rates for those with a professional or pre-professional degree.
  - 2.4. A 2010 IBM survey of CEOs names creativity, one of the central competencies taught in the humanities and social sciences, as 'the most crucial factor for future success.'
  - 2.5. Steve Jobs stated that 'It's in Apple's DNA that technology alone is not enough. It's technology married with liberal arts, married with the humanities that yields the results that make our hearts sing.'
  - 2.6. Mark Bertolini, in the Wall Street Journal observed 'I've seen many an actuary and many an engineer who are brilliant, but they fail in their ability to communicate or commercialize an idea

because they can't relate to the people they're dealing with. The major I'm less concerned about; it's the set of skills that people come into work with.'

- 2.7. Professor David Peetz, a researcher on the future of work at Griffith University, notes the challenges of predicting future jobs. Writing in response to the proposed reforms, Prof. Peetz observes 'The type of skills (or competencies) that will likely be in demand appear to be those relating to creativity, problem-solving, collaboration, cooperation, resilience, communication, complex reasoning, social interaction and emotional intelligence. They include empathy-related competencies such as compassion, tolerance, inter-cultural understanding, pro-social behaviour and social responsibility. Some of these are what universities preferred to call "critical thinking" skills – the sorts developed by generalist degrees like arts and commerce.

**Moved: Cr Jackie Watts**

**Seconded: Deputy Lord Mayor Arron Wood**