

Opening statement:

As you would be aware, the COVID-19 pandemic has highlighted vulnerabilities across all sectors of Australia's economy, and higher education is no exception. To secure Australia's future we must leverage and build on our strengths, including an educated and highly-skilled workforce. A stronger higher education system will be critical to supporting Australia's economic recovery.

Employment projections prior to COVID-19 found that most new jobs in the future will require tertiary qualifications and almost half of all new jobs will require a bachelor or higher qualification.

A key element of the Job-ready Graduates package is to ensure the total funding provided for each university place, Commonwealth plus student contributions, more closely matches the actual costs of delivering the course.

This is central to delivering 39,000 new Commonwealth Supported Places by 2023 and 100,000 places by 2030. These places will enable more domestic students to attend university, especially students from regional and remote areas, and Indigenous students.

The Job-ready Graduates Package is also seeking to encourage students to consider national priorities when choosing their course of study. We want students to gain the skills they need to be successful in the future workforce, that means more STEM-skilled graduates and more graduates with a vocationally based degree.

Labour force modelling shows that the health care industry is projected to make the largest contribution to employment growth, followed by professional, scientific and technical services, education and training, and construction.

These four industries are projected to provide 62 per cent of total employment growth over the next five years.

STEM jobs (including health) are growing almost twice as fast as other jobs. This growth is predicted to continue. Importantly, women who study STEM, health, and teaching subjects are more likely to be employed, and studies have shown they have a higher earning potential across their lifetime than if they obtained a degree in the humanities. Factors like this, employment income and lifetime earnings are a key influence of student choices.

As Mr Heferen outlined at a previous appearance (28 July 2020) price, while very important, is only one factor that influences student choice. Our internal

research tells us that students will respond to the conversations they have with their parents, careers advisers and peers.

In 2008, student prices for maths and science were reduced from \$7412 to \$4162, to encourage more students to study in these areas. As a result, as Mr English outlined previously, in 2009 the number of undergraduate applications in Natural and Physical Sciences increased strongly by 17.1 per cent in 2008 (compared with 5 per cent overall increase in applications). Between 2009 and 2012, applications for Natural and Physical Sciences increased by 34.7 per cent.

In addition, the 2011 Deloitte Access Economics paper titled '*The impact of changes to student contribution levels and repayment thresholds on the demand for higher education*' found based on past Higher Education Loan Program (HELP) changes, demand for higher education reduced when prices increased.

Under the reforms, around 60 per cent of students will see a reduction or no change in their student contribution. Importantly, no current student will pay an increased student contribution.

Under the package, government spending will reach \$1 billion (since 2016) to improve higher education opportunities for regional and remote Australia. Eligible regional and remote students will receive direct financial support for their higher education study with a \$5000 one-off Tertiary Access Payment and receive improved travel support where they are eligible for Fares Allowance.

All Aboriginal and Torres Strait Islander students from regional and remote areas will have a guaranteed Commonwealth Supported Place upon admission to their university of choice.

In closing, we want our students to receive an education that sets them up for future success. All students will continue to have access to the course of their choice under Australia's world leading higher education funding model. Under our Higher Education Loan Program (HELP), no student will need to pay anything up front and student loans are only repaid when the student is earning over \$46,620 (in 2020–21). I would also like to acknowledge the importance of higher education in the education landscape, and more broadly its contribution to supporting the Australian labour market.

Thank you Chair.