To: The Hon. Dan Tehan MP
Minister for Education
Parliament House
CANBERRA ACT 2600
16/7/2020

Dear Minister,

We write regarding the recently proposed changes to Australian Higher Education funding. We welcome the much-needed intent to boost domestic student enrolments. But the complicated and inconsistent nature of the funding changes and the intent to identify 'work-relevant qualifications' risk further undermining the nation's fourth largest export industry at a time the Australian economy can ill afford.

As Laureate researchers spanning a wide range of disciplines in Science, Technology, Engineering and Mathematics (STEM), Humanities, Arts and Social Sciences (HASS) and other fields, we believe this proposal will bring severe negative national consequences for future university training. It is likely to have the unintentional effect of amplifying inequities in higher education, and will work against the very economic goals it is trying to achieve.

1. ***The proposal makes untenable assumptions about future growth in demand for training in particular backgrounds*****.**

Successive Australian governments have refrained from 'picking winners' in industry, but here we see that approach applied to education precisely at a time when future needs are becoming more heterogeneous and unpredictable.

Bracketing the humanities and social sciences as a category deemed less useful for future employment flies in the face of what we see amongst leaders in both politics and business: more Liberal frontbenchers, for instance, have received an arts degree than studied economics. Business leader Jennifer Westacott, Chief Executive of the Business Council of Australia, emphasises the importance of a humanities education and Deloitte Access Economics stress its value in teaching students to ask innovative questions, think critically for themselves, explain what they think, form ethical constructs, and communicate flexibly across a range of perspectives.

The proposed changes reflect an outdated view of both HASS and STEM. Each is concerned with advancing our understanding of the world and providing the intellectual framework and critical thinking skills needed to acquire that understanding. These will be critical for creating a flexible, responsive workforce in an increasingly diverse economy. In the face of our uncertainty about where future needs will lie, what we can be sure of is that interdisciplinary training will become ever more important.

2. ***Differential pricing of subjects works against both social equity and quality teaching***. It is unhealthy for a democratic and inclusive society to make some fields the province of those who can pay more for them.

Differential pricing is unhealthy for every academic field: the best outcomes grow from an optimal match between disciplines and the talents and interests of those who want to study them, undistorted by arbitrary price signals.

3. ***The proposed policy is likely to prove rife with unintended consequences.*** Even within its own premises, many of the subjects it claims to promote (e.g. Maths) will suffer severe cuts.

Universities may be discouraged from offering such subjects, or boost their offerings in fields that are cheaper to teach, to cross-subsidise the more expensive courses. The recently floated patch of

an 'integrity unit' to prevent this would simply increase regulatory burdens, and consume resources better spent directly on education.

Complex sets of discipline categories greatly reduce the transparency and efficiency of the system. Energy will needlessly be diverted into defining subjects into or out of categories favoured or disfavoured by the funding model.

Universities need to be able to plan intelligently, delivering world-class education and training in an uncertain 21st Century. Well-intended but counter-productive distortions in the funding model will not help. The national economic impacts of these decisions have not been convincingly worked through.

A forward-looking policy of higher-education funding thus needs to do three things:

(a) **Avoid complex differential policies:** these will necessitate increased regulation, while failing to achieve either the diversion of student numbers that are sought, or the social and technological goal of better preparing our students for the future.

The simplest way to achieve this is to reinstate a flat HECS rate – a simple way to optimise the match between talent, interest and enrolment without distortions from family wealth, easy to administer, and immune from highly uncertain guesses about future trends.

(b) **Increase funding to universities in real terms:** this will assure the growth in quality and capacity of one of Australia's transformative success stories and its fourth greatest export. This should be a real increase, not funded from an arbitrary subset of future students at the outset of their careers in a time of great uncertainty.

We appreciate that the COVID epidemic has put unprecedented pressures on the budget, but the need for greater support to our Universities is more necessary than ever during this present time of huge financial stress, caused by the plummeting income of overseas students. Wise investment now will pay huge dividends later in the economic, scientific, social and cultural growth of the nation.

(c) **Integrate the systems for funding university and vocational education**, which have long drifted apart. This will ensure that every school-leaver has access to the level of training they need for a successful career. What is really needed is not a vocational approach to university education but a more systematic and thoughtful approach to vocational education. In the modern economy, all kinds of work, including trades, require a broader range of skills than in the past, including communications and IT skills. We have much to learn here from the success of countries like Germany in integrating these two systems of higher education.

We urge that this current piece of legislation be shelved in its current form, and replaced by one that has been drafted after proper consultation with a range of experts in the sector who are able to devise an optimal mechanism for building this vital part of our society's future.

Signed:

Nicholas Evans
Australian National University

Joy Damousi
Australian Catholic University; President, Australian Academy of the Humanities

Chris Turney
University of New South Wales

Christine Beveridge
University of Queensland

and 69 other current and past ARC Laureate Fellows whose names and affiliations are appended below

Title	Name	Institution
Distinguished Professor	Nicholas David Evans	Director, ARC Centre of Excellence for the Dynamics of Language, Australian National University
Professor	Joy Damousi	Director, Institute for Humanities and Social Sciences, Australian Catholic University
Professor	Chris Turney	Director of the Changing Earth Research Centre (formerly PANGEA) and Chronos 14Carbon-Cycle Facility, UNSW Director of ARC Centre of Excellence for Australian Biodiversity and Heritage (CABAH), University of New South Wales
Professor	Christine Beveridge	Director, ARC Centre of Excellence for Plant Success in Nature and Agriculture, University of Queensland
Professor	Matthew England	Climate Change Research Centre, The University of New South Wales
Sir Thomas Elder Professor	Mathai Varghese	Mathematical Sciences, The University of Adelaide
Distinguished Professor	Sue O'Connor	Archaeology and Natural History, The Australian National University, ARC Centre of Excellence for Australian Biodiversity and Heritage (CABAH)
Professor	Barry Brook	Plant Science, School of Biological Sciences, University of Tasmania, ARC Centre of Excellence for Australian Biodiversity and Heritage (CABAH)
Professor	Bostjan Kobe	School of Chemistry and Molecular Biosciences, University of Queensland
Distinguished Professor	Michael Bird	College of Science & Engineering, Centre for Tropical Environmental and Sustainability Science, James Cook University, ARC Centre of Excellence for Australian Biodiversity and Heritage (CABAH)
Professor	Ben Andrews	Mathematical Sciences Institute, Australian National University
Professor	Ian Reid, FTSE	School of Computer Science, and Australian Institute for Machine Learning, University of Adelaide
Scientia Professor	Trevor J McDougall AC FAA FRS	School of Mathematics and Statistics, University of New South Wales
Professor	Tamara Davis	School of Mathematics and Physics, University of Queensland
Professor	Steven Sherwood	Climate Change Research Centre, University of New South Wales

Professor	Peter Goodyear	Centre for Research on Learning and Innovation, The University of Sydney
Professor	Madeleine JH van Oppen	Marine Biology, The University of Melbourne, Australian Institute of Marine Science
Professor Dr.	Christopher Barner-Kowollik	Science and Engineering Faculty, School of Chemistry & Physics, Queensland University of Technology
Professor	Hong Hao	Centre for Infrastructural Monitoring and Protection, Curtin University
Professor	Paul S.C. Tacon	Griffith Centre for Social and Cultural Research, Griffith University
Professor	Matthew Bailes	Centre for Astrophysics and Supercomputing, Swinburne University of Technology
Janet Dora Hine Professor	Warwick Anderson	Faculty of Arts and Social Sciences, University of Sydney
Professor	Malcolm McCulloch	Oceans Institute, The University of Western Australia
Professor	Lynette Russell	Director, Monash Indigenous Studies Centre, Monash University, Deputy Director, ARC Centre of Excellence for Australian Biodiversity and Heritage (CABAH)
Professor	Ping Koy Lam	Research School of Physics, The Australian National University, ARC Centre for Quantum Computer and Communication Technology
Distinguished Professor	Alexandra Y. Aikhenvald	College of Arts, Society & Education, The Language and Culture Research Centre, James Cook University, The Cairns Institute
Distinguished Professor	Chennupati Jagadish AC	Energy Change Institute, Research School of Physics, Australian National University
Professor	Margaret Jolly	Gender Institute, Climate Change Institute, Collage of Asia and the Pacific, The Australian National University
Professor	Justin Marshall	Queensland Brain Institute, University of Queensland
Professor	Jason Mattingley	Queensland Brain Institute, The University of Queensland
Professor	George Zhao	School of Chemical Engineering, Faculty of Engineering, Architecture and Information Technology, The University of Queensland
Professor	John Dryzek	Institute for Governance & Policy Analysis, University of Canberra
Professor	Brad Sherman	School of Law, University of Queensland

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Professor	Geoffrey Ian McFadden	School of BioSciences, University of Melbourne
Professor	John Quiggin	School of Economics, University of Queensland
Professor	Peter Taylor	Director, ARC Centre of Excellence for Mathematical and Statistical Frontiers, The University of Melbourne
Professor	Belinda Medlyn	Hawkesbury Institute for the Environment, Western Sydney University
Professor	Fedor Sukochev	Department of Pure Mathematics, School of Mathematics and Statistics, University of New South Wales
Professor	Michelle Coote	ARC Centre of Excellence for Electromaterials Science, Research School of Chemistry, Australian National University
Professor	Michael Tobar	Department of Physics, ARC Centre of Excellence for Engineered Quantum Systems, and ARC Cntre of Excellence of Dark matter Particle Physics, The University of Western Australia
Professor	Hilary Charlesworth	Melbourne Law School; RegNet, Australian National University
Professor	Mark Finnane	Griffith Criminology Institute AND School of Humanities, Languages and Social Science, Griffith University
Distinguished Professor	Katherine Demuth	Linguistics; Faculty of Medicine, Health and Human Science; Macquarie University
Professor	Jolanda Jetten	School of Psychology, The University of Queensland
Professor	Jon Barnett	School of Geography, Faculty of Science, Melbourne University
Professor	Matthew Spriggs	School of Archaeology and Anthropology; College of Arts and Social Sciences; The Australian National University
Professor	Kate Smith-Miles	School of Mathematics and Statistics; Faculty of Science; The University of Melbourne
Professor	Shizhang Qiao	School of Chemical Engineering and Advanced Materials, The University of Adelaide
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John Curtin Distinguished Professor	Zheng-Xiang Li	ARC Centre of Excellence for Core to Crust Fluid Systems (CCFS); School of Earth and Planetary Sciences/Faculty of Science and Engineering; Curtin University
Scientia Professor	Toby Walsh	School of Computer Science & Engineering, UNSW Sydney
Scientia Professor	Martina Stenzel	ARC Training Centre for Chemical Industries, University of New South Wales
Professor	David James	Charles Perkins Centre, School of Life and Environmental Science, University of Sydney
Scientia Professor	Ross Buckley	Law, University of New South Wales
Professor	Alex Haslam	School of Psychology; University of Queensland
Professor	Stuart Wyithe	School of Physics, University of Melbourne
Professor	Sara Dolnicar	UQ Business School / Faculty of Business, Economics and Law / The University of Queensland
Professor	Lesley Head	School of Geography, University of Melbourne
Professor	Glenda Sluga	History, Sophi, University of Sydney
WK Hancock Professor	Ann McGrath	Research Centre for Deep History, School of history, Australian National University
Professor	Bernard Degnan	Centre for Marine Solutions and School of Biological Sciences; University of Queensland
Professor	Philip Boyd	Institute for Marine and Antarctic Studies, Univesity of Tasmania
Professor	Richard Shine	Department of Biological Sciences, Macquarie University
Professor	Loeske Kruuk	Research School of Biology, College of Science, Australian National University
Professor	Kaarin Anstey	UNSW Ageing Futures Institute and School of Psychology, University of New South Wales, ARC Centre of Excellence in Population Ageing Research
Professor	Paul Mulvaney	School of Chemistry, University of Melbourne
Professor	Lianzhou Wang	School of Chemical Engineering and Australian Institute for Bioengineering and Nanotechnology, The University of Queensland

Professor	Peter Waterhouse	Centre for Agriculture and the Bioeconomy; Queensland University of Technology; Centre of Excellence for Plant Success in Nature & Agriculture
Professor	George Willis	Mathematical and Physical Sciences; Faculty of Science; University of Newcastle
Professor	Barry Pogson	Research School of Biology; College of Science; Australian National University
Professor	EJ Rohling	Research School of Earth Sciences, Australian National University
Professor	Enrico Valdinoci	Department of Mathematics and Statistics; School of Physics, Mathematics and Computing; University of Western Australia