

SUBMISSION TO INDIGENOUS SKILLS, ENGAGEMENT AND EMPLOYMENT PROGRAM (ISEP) DISCUSSION PAPER

10 September 2021

Universities Australia is pleased to make a submission to the Indigenous Skills, Engagement and Employment Program (ISEP) Discussion Paper, following our submission to the House Standing Committee on Indigenous Affairs inquiry into opportunities for employment and economic development for Indigenous Australians. The Government notes this inquiry has informed the development of the ISEP.

Universities Australia acknowledges the traditional owners of country on which our members operate. We celebrate Aboriginal and Torres Strait Islander peoples' culture and knowledge, and acknowledge their safeguarding of these valuable resources for present and future generations.

Universities Australia is the peak body for Australia's 39 comprehensive universities. Universities Australia has long advocated for policy and funding settings that extend the transformative opportunity of a university education to as many Australians as possible.

Higher education continues to unlock employment and economic advancement. This is especially so for Indigenous university graduates, who typically outperform their non-Indigenous peers in graduate labour market outcomes – meaning there is no employment gap for university graduates.

The ISEP design process is an opportunity to acknowledge and support the role a university education plays in positive employment outcomes for Aboriginal and Torres Strait Islander people.

Supporting skill development in the higher education sector is a proven pathway to employment for Aboriginal and Torres Strait Islander people

Recommendation:

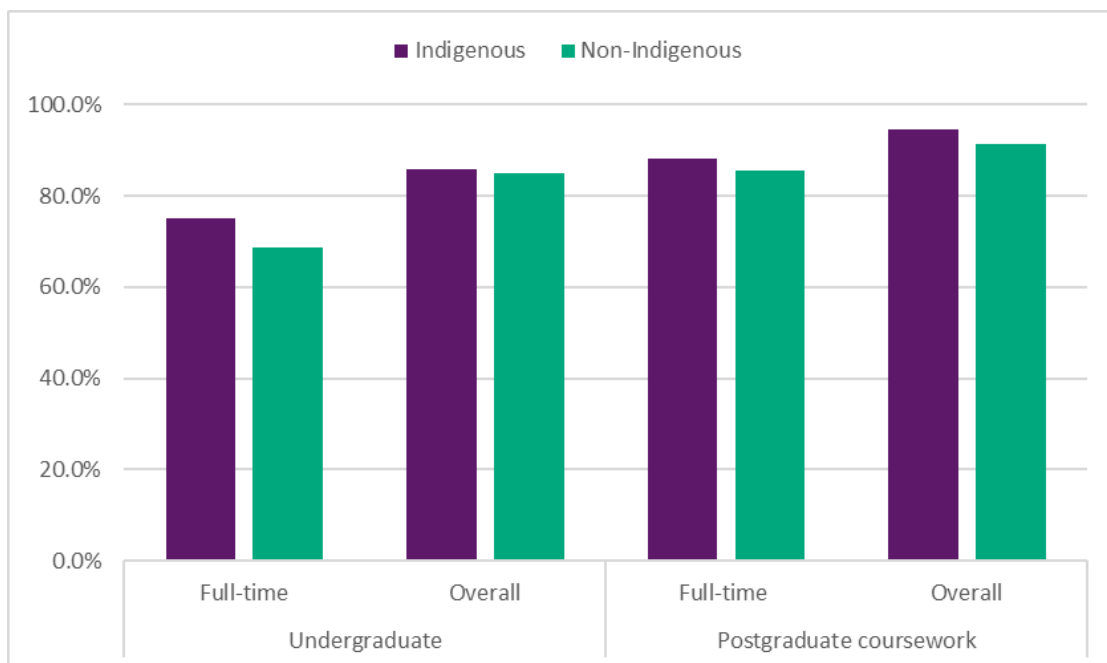
- Based on the valuable employment outcomes a university qualification provides, particularly for Indigenous graduates, it is recommended that the ISEP include higher education as a supported skill development avenue to employment.

INDIGENOUS GRADUATES HAVE STRONGER EMPLOYMENT OUTCOMES UPON GRADUATION COMPARED TO NON-INDIGENOUS GRADUATES

One of the great success stories to have evolved in Australian higher education in recent years has been its role in helping to close the employment gap between Indigenous and non-Indigenous people.

Indigenous graduates generally have strong employment outcomes, comparable to and frequently better than non-Indigenous graduates. Figure 1 shows that in 2020, 75.1 per cent of Indigenous undergraduates were in full-time employment four months after completion, outperforming non-Indigenous undergraduates (68.6 per cent). For graduates with a postgraduate degree, 88.2 per cent of Indigenous graduates were in full-time employment four months after completion, compared to 85.6 per cent of non-Indigenous graduates.

Figure 1: Short-term graduate employment outcomes, 2020



Source: Social Research Centre 2020, *2020 Graduate Outcomes Survey*.

VALUE OF UNIVERSITY EDUCATION TO INDIVIDUALS, SOCIETY AND THE ECONOMY

For both Indigenous and non-Indigenous people, a university degree remains a key enabler of prosperity for individuals, as well as the economy and society more broadly. Graduates who earn higher salaries, are less likely to be unemployed and contribute to growing the overall economy.

Recent ABS data shows that in May 2020, the unemployment rate for graduates was 4.9 per cent - compared to 9.8 per cent for those without post-school qualifications.¹

Graduates on average earn more over a lifetime, the median male graduate is estimated to earn nearly \$800,000 more than a man with no post-school qualifications, while the average female graduate is

¹ ABS 2020, *Education and Work, Australia, May 2020* Cat. No. 6227.

estimated to earn nearly \$600,000 more than a woman with no post-school qualifications.² According to the 2016 Census, university graduates earn 70 per cent more than people with no post-school qualifications and contribute substantially more to national taxation receipts.³

Data published by the OECD in 2019 shows the net public benefit for Australia is US\$168,100 per male graduate and US\$117,700 per female graduate. Public benefits included higher tax revenue and lower social security transfer payments.⁴ The OECD estimated that the Australian Government can expect to receive a return of 12 per cent every year on the investment made on tertiary education.⁵

Labour market demand for graduate skills is forecast to continue and strengthen. Projections by the Commonwealth Department of Education, Skills and Employment show that almost 95 per cent of jobs growth over five years to May 2025 will be in jobs that require post-school qualifications.⁶ More than 50 per cent of jobs growth will be in jobs that require a university degree.

PARTICIPATION IN HIGHER EDUCATION BY ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE

There has been strong growth in higher education participation by Aboriginal and Torres Strait Islander students over the past decade.

Figure 2 shows total Indigenous student enrolments have more than doubled (110.1 per cent) since 2008, from 9,490 students in 2008 to 21,033 students in 2019. Over the same period, Indigenous enrolments:

- in Bachelor degree courses increased from 6,352 to 13,926;
- in enabling courses (a kind of pathway or bridging course) increased from 871 to 1,810. Enrolment data between 2015 and 2018 show much of this growth has come in the last few years;
- in postgraduate coursework degrees increased from 1,138 to 2,508; and
- in postgraduate research enrolments increased from 393 to 641.

² Grattan Institute 2018, *Mapping Australia Higher Education 2018*, p.93.

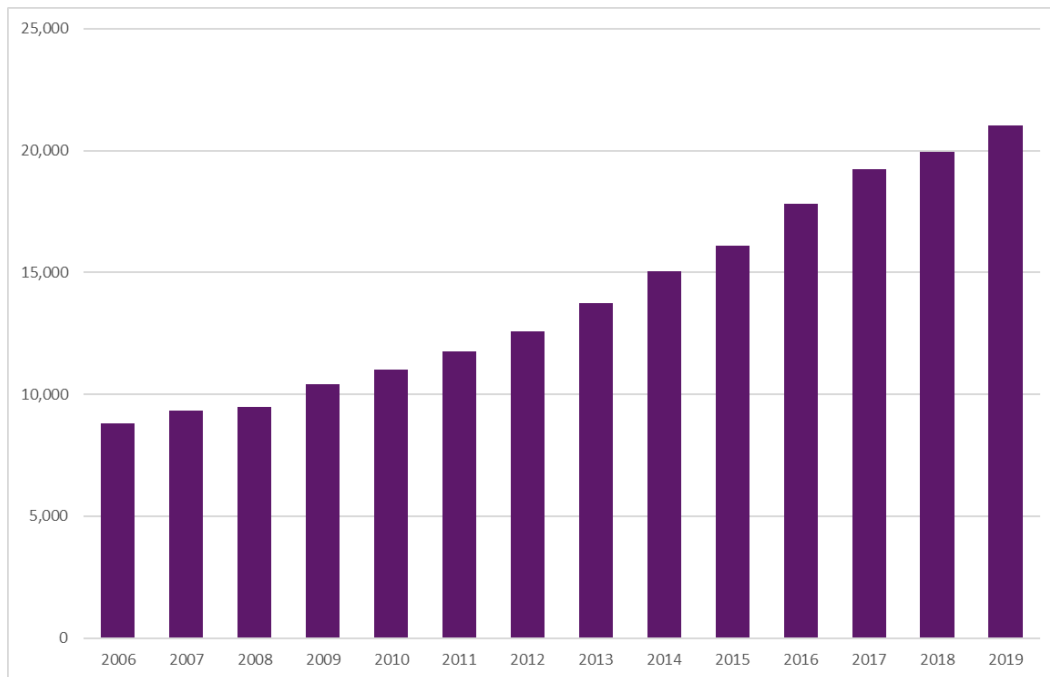
³ ABS 2016 Census, Employment and income by qualification level – people aged 20-64 years

⁴ OECD 2019, *2019 Education at a Glance*, Indicator A5.3.

⁵ Ibid, Indicator A5.2.

⁶ Department of Jobs and Small Business 2020, *Employment Outlook to May 2025*.

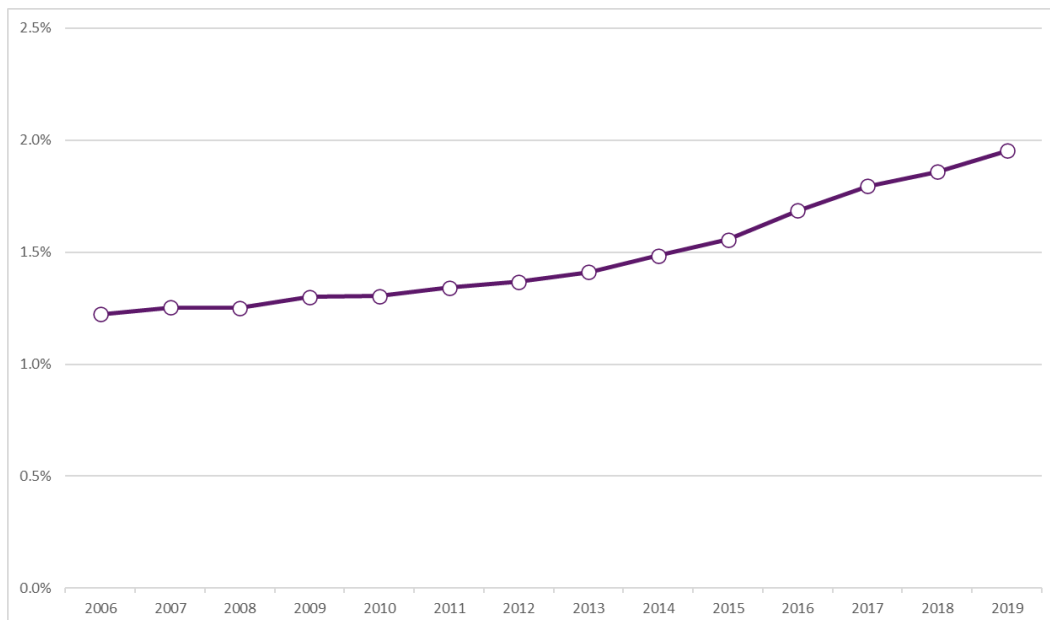
Figure 2: Indigenous student enrolments, 2006 to 2019



Source: Department of Education, Skills and Employment 2020, *Selected Higher Education Statistics – 2019 Student data*, Section 11: Equity Group.

Despite this growth, Indigenous students' percentage share of total domestic enrolments increased more modestly — up from 1.3 per cent in 2008 to two per cent in 2019 (Figure 3). To reach population parity, this would need to be 3.1 per cent.

Figure 3: Share of Indigenous student enrolments, 2006 to 2019



Source: Department of Education, Skills and Employment 2020, *Selected Higher Education Statistics – 2019 Student data*, Section 11: Equity Group.

Figure 4 shows Indigenous students are more likely than non-Indigenous students to enrol in courses in society and culture (32 per cent), health (20.8 per cent) and education (12 per cent) and less likely to enrol in management and commerce (10.1 per cent), natural and physical sciences (5.5 per cent) and engineering (2.5 per cent).

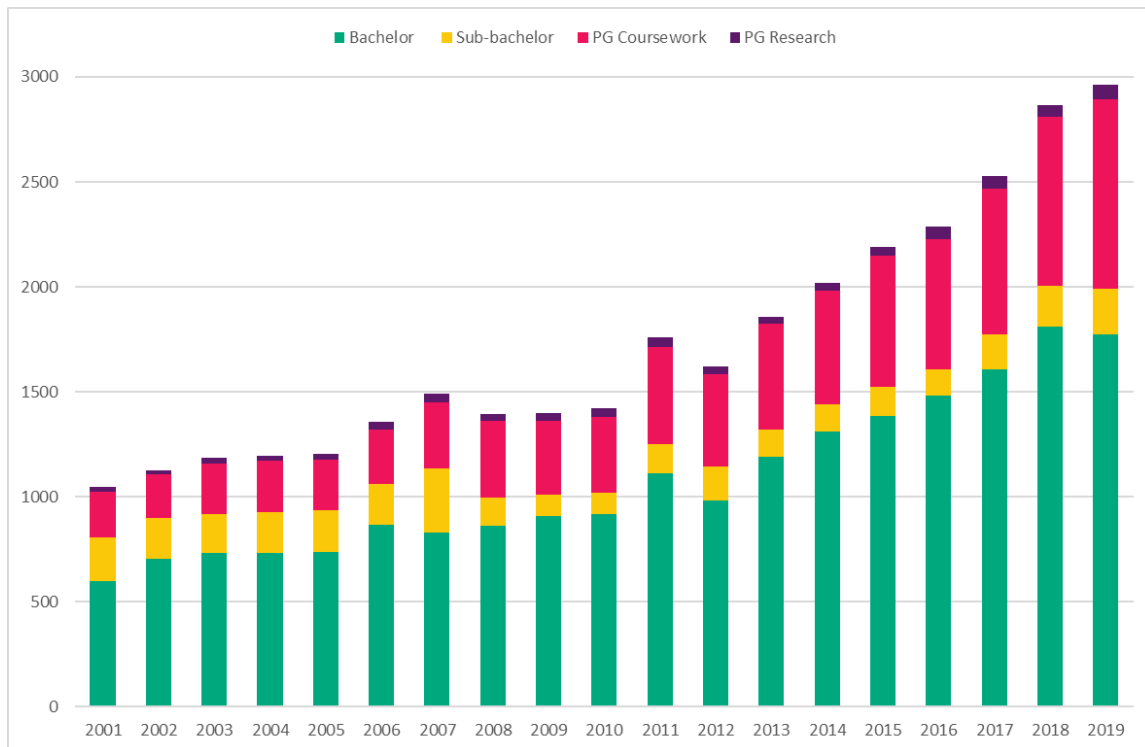
Figure 4: Enrolments by broad disciplines, 2019



Source: Department of Education, Skills and Employment 2020, *Selected Higher Education Statistics – 2019 Student data*, Section 6: Indigenous students.

Since 2008, award course completions by Indigenous students have continued to grow year-on-year, consistent with the growth in Indigenous enrolments. Indigenous Bachelor award course completions grew by 106.4 per cent – from 860 degrees awarded to Indigenous students in 2008 to 1,775 in 2019. Postgraduate research course completions rose 121.2 per cent – from 33 in 2008 to 73 in 2019 – and postgraduate coursework completions rose 146.7 per cent – from 364 to 898 (Figure 5).

Figure 5: Number of award course completions by Indigenous students, by course level



Source: Department of Education, Skills and Employment 2020, *Visual analytics – Award course completions time series*.

While numbers of completions are growing, completion rates remain a challenge. There is still a very large gap between completion rates for Indigenous and non-Indigenous students in Bachelor degrees. Nine-year completion rates for Indigenous students remain around 47 per cent, significantly below the 74 per cent completion rate for non-Indigenous students. Indigenous students can typically take longer to graduate. This is, in part, explained by the demographic characteristics of Indigenous university students, who are proportionally more likely to be mature-aged women – with other family and work commitments to balance. Nevertheless, aiming for completion rate parity amongst Indigenous and non-Indigenous university students is a priority for the sector.⁷

Universities Australia acknowledges there are many factors that contribute to employment and economic outcomes for Aboriginal and Torres Strait Islander people. In particular, it remains clear that for those living in remote and very remote areas, secondary educational attainment is significantly lower than in major cities and regional areas. In very remote Australia, only 40.3 per cent of people aged 19 have completed Year 12 or equivalent, compared to 80.3 per cent in major cities and 63.9 per cent in outer regional Australia.⁸ Of people identifying as Aboriginal or Torres Strait Islander in the 2016 Census, 18.4 per cent lived in remote or very remote Australia, compared to 1.4 per cent of people identifying as non-Indigenous.⁹ This represents a challenge to access to post-secondary education, including higher education.

Noting this, most Indigenous Australians live in cities and towns: according to ABS data, 75 per cent of Indigenous people live in major cities¹⁰. Indigenous people in major cities are more like to have a degree than those from the regions, but much less likely to have a degree than non-Indigenous people. The

⁷ [Universities Australia Indigenous Strategy 2017 – 2020](#), pg 14 – “Universities Australia members commit to the following actions - aim to achieve completion rates by fields of study by 2028”.

⁸ ABS, *Census of Population and Housing, 2016*, TableBuilder. Findings based on use of ABS TableBuilder data.

⁹ ABS, *Census of Population and Housing: Characteristics of Aboriginal and Torres Strait Islander Australians, 2016*, cat no. 2076.0, March 2019

¹⁰ ABS (2018), 3238.0.55.001 - *Estimates of Aboriginal and Torres Strait Islander Australians, June 2016*

attainment rate for urban Indigenous people aged 20-64 is only 11 per cent¹¹ – just one third of the figure for the population as a whole (33 per cent)¹². While Indigenous disadvantage does increase with remoteness, it is clearly and obviously present in urban areas too. This represents a challenge to ensuring success in higher education.

UNIVERSITIES AUSTRALIA INDIGENOUS STRATEGY

Universities Australia, on behalf of its members is currently developing the next iteration of the Universities Australia Indigenous Strategy for 2021 through to 2024. This follows the first ever whole of sector Indigenous Strategy, which Universities Australia launched in 2017.

The Indigenous Strategy is a sectoral commitment to a range of initiatives targeting Indigenous advancement in and through higher education. In this next iteration, the focus for students will shift from access (noting that continued effort is required here) to success, in particular improving completion rates. For staff, there will be a stronger focus on employment in universities and opportunities for staff, including career development and pathways as well as leadership structures.

The *Universities Australia Indigenous Strategy 2021-2024* will also aim to ensure the safety of Aboriginal and Torres Strait Islander staff and students in university environments through a zero-tolerance approach to racism.

The Strategy will also recognise the value Indigenous people and knowledges bring to the university and its identity and the benefits we all share through embedding Indigenous value systems and knowledges into university structures and courses.

EMPLOYMENT WITHIN THE UNIVERSITY SECTOR

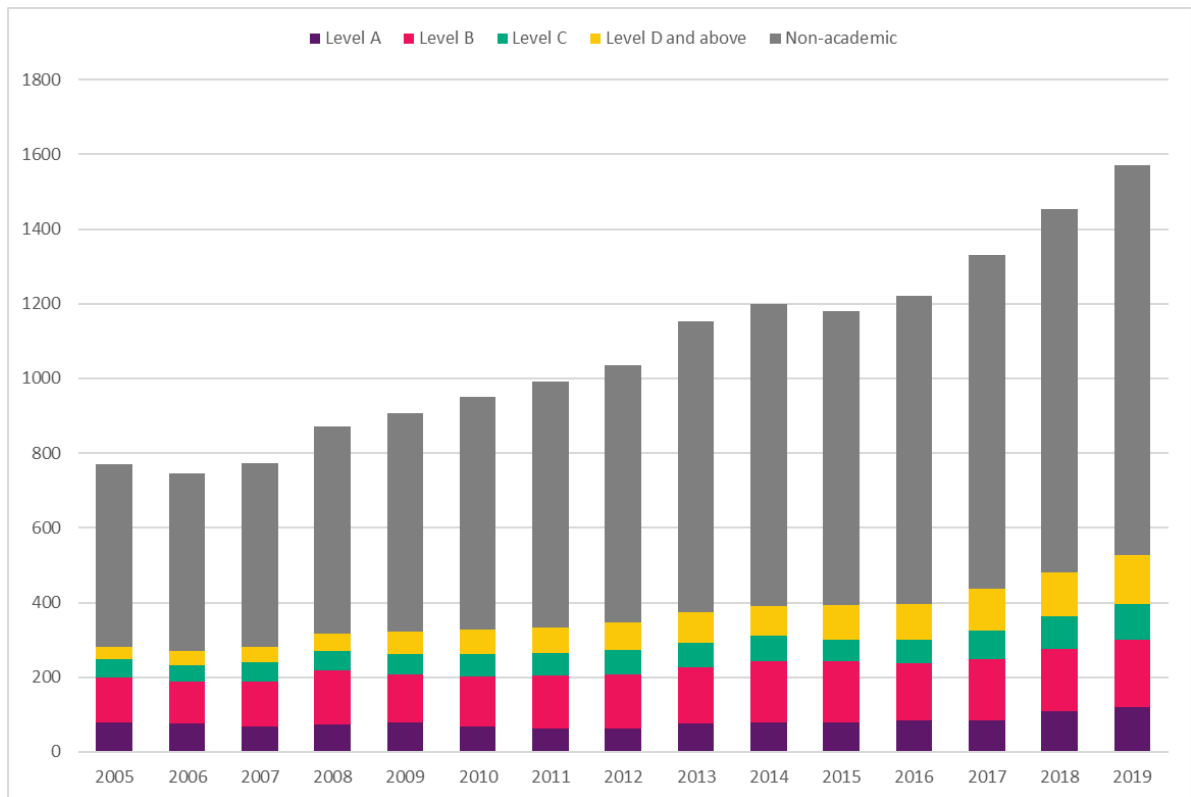
Universities are committed to growing their Indigenous workforces both through actions in the Universities Australia Indigenous Strategy and Indigenous employment initiatives stipulated in the Australian Government's Indigenous Student Success Program (ISSP).

Figure 6 shows the total number of Indigenous staff has doubled since 2005, from 771 staff to 1,571 staff in 2019. Of these, around one-third are academic staff. The number of Indigenous academic staff has increased by 86.9 per cent over the period, from 282 in 2005 to 527 in 2019.

¹¹ ABS (2018), *2076.0 Census of Population and Housing: Characteristics of Indigenous Australians, 2016*

¹² ABS (2016), *6227.0 - Education and Work, Australia, May 2016*

Figure 6: Number of Indigenous staff by duties classification, 2005 to 2019



Source: Department of Education, Skills and Employment, Unpublished HEIMS data, various years.

However, in 2019 just 1.3 per cent of Australian university staff – both academic and non-academic – were from an Indigenous background, significantly below the working-age population parity figure of 3.1 per cent.