

Higher Education Sector in Australia in 2005



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1.1 Overview

The higher education sector in Australia comprises 37 public and two private universities, one approved branch of an overseas university, four other self-accrediting higher education providers and around 130 non self-accrediting higher education providers. All but three of the universities and other self-accrediting higher education providers in Australia are established or recognised under State or Territory legislation. The Australian National University, the Australian Maritime College and the Australian Film Television and Radio School are established under Commonwealth legislation.

Australian universities are generally comprehensive institutions offering a wide range of programmes. They vary significantly in size ranging from the largest with around 40,000 students down to the smallest at around 2,000 students. Most range between 10,000 and 20,000 students. Many universities are located in the major cities but a significant number are located in smaller regional centres. The larger universities usually have a number of campuses.

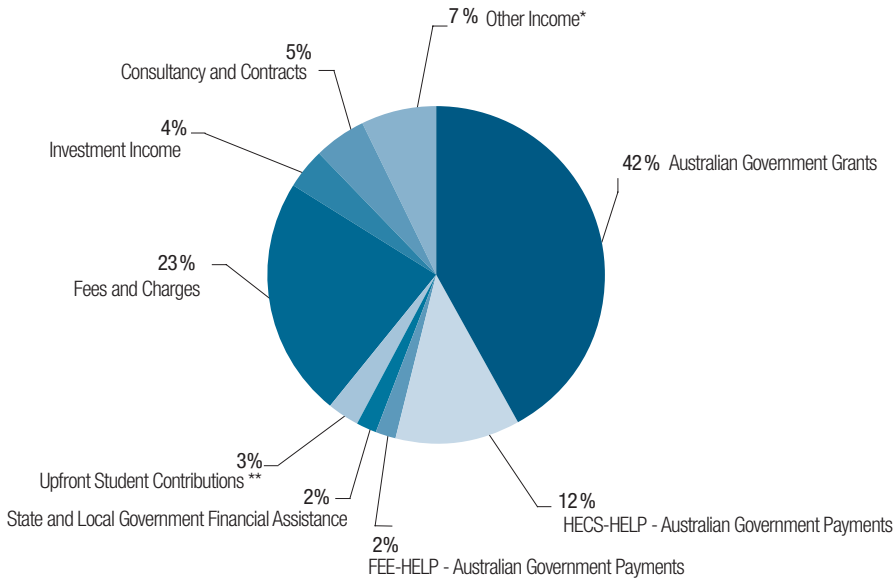
Around 38 non self-accrediting higher education providers were approved under the *Higher Education Support Act 2003* during 2005 (see Section 3.1 for more details). The majority of private higher education providers are cross-sectoral, offering both higher education and Vocational Education and Training qualifications. Private higher education providers can be grouped into five categories: niche market operators; faith-based theological colleges; TAFE colleges offering higher education qualifications; Australian Government funded performing arts/media institutions; and institutions offering training in professional practice.

1.2 Major Sources of Revenue¹

In 2005, the total operating revenue, including for Vocational Education and Training activities, was \$14.3 billion (revenue for higher education activities was \$13.9 billion). Of the total amount, \$5.9 billion was from Australian Government grants and other Australian Government payments were \$1.6 billion for HECS-HELP and \$289 million for FEE-HELP. Upfront Student Contributions were \$396 million and the remainder was split between the following: Fees and Charges (\$3.3 billion); Consultancy Contracts (\$651 million); Investment Income (\$582 million); State and Local Government (\$514 million); and other sources (\$1.1 billion) (Figure 1).

¹ Includes institutions listed in Table A of the *Higher Education Support Act 2003* and the University of Notre Dame Australia.

Figure 1: Sources of revenue



Source: 2005 university financial statements

* Other income includes royalties, trademarks and licenses and the share of net result of associates and joint ventures accounted for using the equity method.

** Upfront student contributions for Commonwealth supported students. Formerly reported as part of the 'Higher Education Contribution Scheme' item.

1.3 Student² and Staff Statistics

1.3.1 Student enrolments

In 2005, there were 957,176 students attending Australian higher education providers, an increase of 1.3% over the number in 2004 (Figure 2). There were 717,681 domestic and 239,495 overseas students.

These students were undertaking the following types of study:

- Undergraduate – 665,526
- Postgraduate – 263,504
- Other (Enabling and Non-award courses) – 28,146

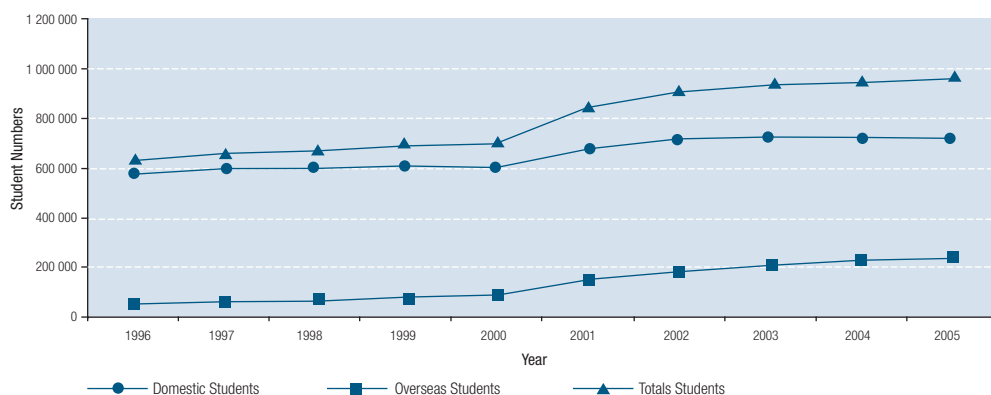
Since 1996, there has been an increase in student enrolments of 51%³. Domestic students have increased by 24% and the proportion of overseas students (any students that are not 'domestic' undertaking a course of study at a higher education provider)⁴ attending Australian universities has increased from 8% in 1996 to 25% in 2005.

² The 2005 Higher Education Student Full Year data includes some students enrolled at private higher education providers that, during 2005, first offered their students Commonwealth assistance through FEE-HELP. The *Higher Education Support Act 2003* requires that all higher education providers that receive Commonwealth grants are required to provide statistical information in respect of the provision of higher education.

³ 38 private higher education providers were approved to offer FEE-HELP under the *Higher Education Support Act 2003* during 2005, although not all of these were approved in time to offer FEE-HELP to their students in 2005. Some of the increase in student numbers (approximately 2%) may therefore be due to the increase in the number of higher education providers reporting to DEST.

⁴ Domestic includes Australian and New Zealand citizens and students who hold permanent resident status or a humanitarian visa.

Figure 2: Enrolments of domestic, overseas & all students 1996 – 2005^(a)

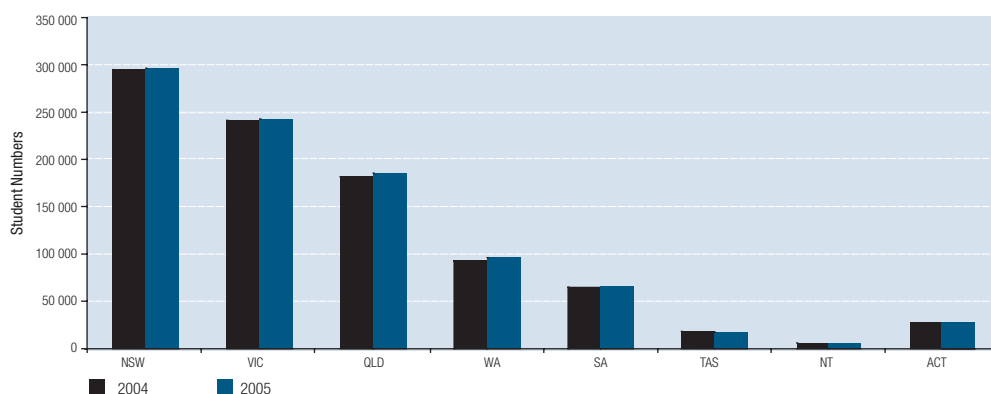


Source: Selected Higher Education Student Statistics (DEST)

(a) There has been a break in series from 2000 to 2001. Users should take care when comparing data across this time period.

In 2005, New South Wales continued to have the largest number of student enrolments (297,191), followed by Victoria (242,951) and Queensland (185,922) (Figure 3).

Figure 3: Enrolments by State and Territory, 2004 and 2005



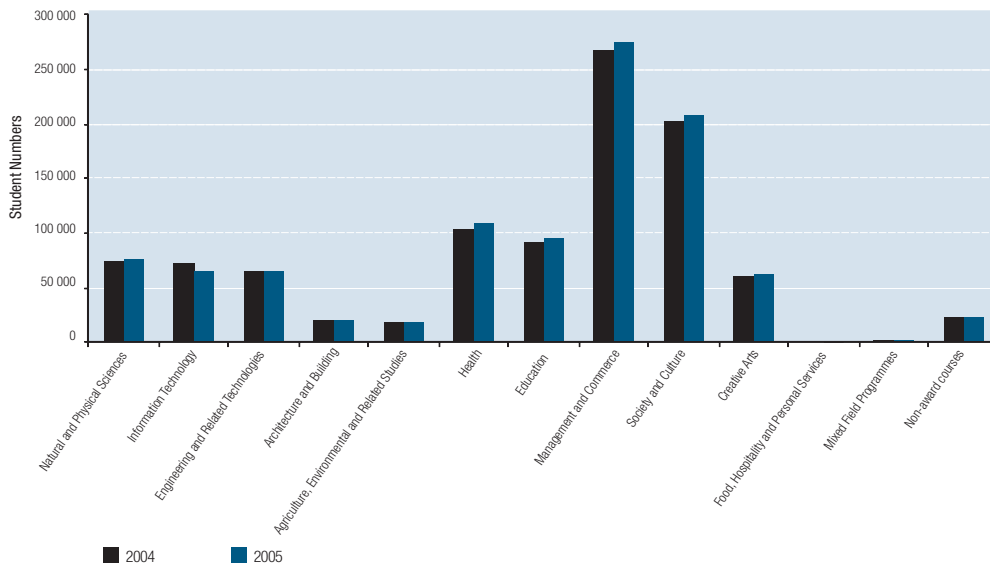
Source: Selected Higher Education Student Statistics (DEST)

Between 2004 and 2005 most States and Territories, other than Tasmania, the Australian Capital Territory and the Northern Territory, experienced increases in the number of students attending higher education providers in their State or Territory.

Enrolments in most fields of education increased between 2004 and 2005 (Figure 4). The fields with the highest growth were:

- Management and Commerce – up by 7,034 students or 2.6%;
- Society and Culture – up by 5,039 students or 2.5%;
- Health – up by 4,795 students or 4.7%;
- Creative Arts – up by 1,445 students or 2.4%; and
- Education – up by 3,324 students or 3.6%.

Figure 4: Enrolments by broad field of education, 2004 and 2005



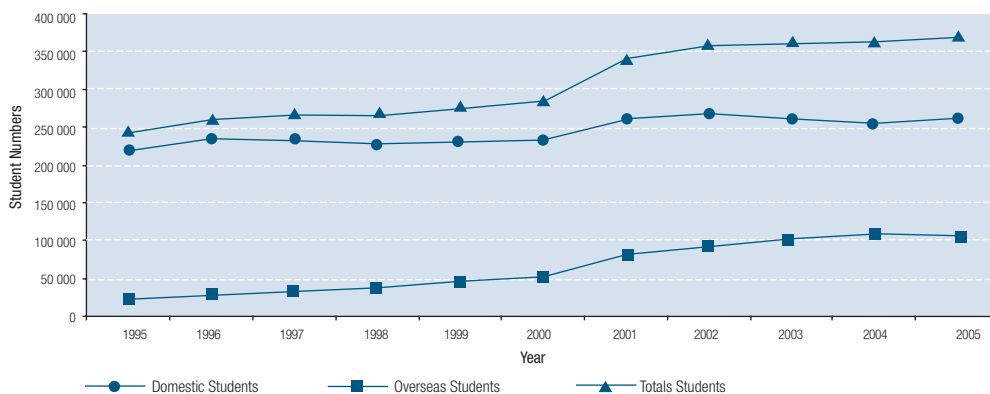
Source: Selected Higher Education Student Statistics (DEST)

In 2005, Management and Commerce was the most popular field of education, with the largest proportion of enrolled students at 27% of all students. The next most popular fields were Society and Culture (21% of all students) and Health (11% of all students).

Commonwealth supported students comprised 567,979 students in 2005, representing 79% of all domestic students. The introduction of FEE-HELP in 2005 resulted in around 59,000⁵ or 42% of reported domestic fee-paying students adopting the government loan scheme.

In 2005, a total of 368,895 students commenced higher education in Australia, an increase of 1.9% on 2004 and a 41% increase on 1996. There were 261,934 domestic and 106,961 overseas commencing students (Figure 5).

Figure 5: Commencements for overseas, domestic and all students, 1995-2005^(a)



Source: Selected Higher Education Student Statistics (DEST)

^(a) There has been a break in series from 2000 to 2001. Users should take care when comparing data across this time period.

⁵ This figure does not include Open Universities Australia.

These students were undertaking the following types of study:

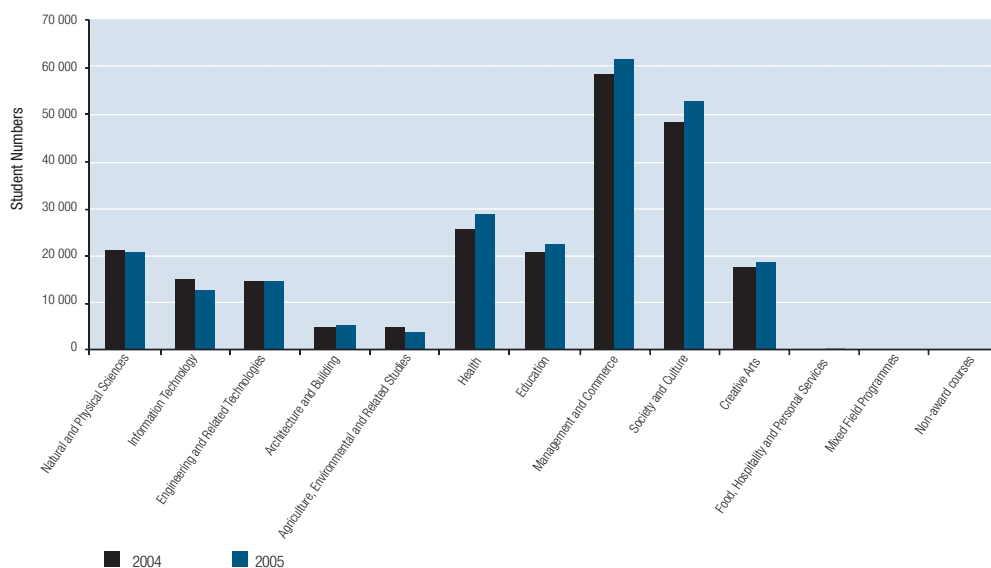
- Undergraduate – 227,442
- Postgraduate – 117,112
- Other (Enabling and Non-award courses) – 24,341

Following the pattern in enrolments, undergraduate commencements increased in most fields of education between 2004 and 2005 (Figure 6). Growth occurred in the fields of:

- Management and Commerce – up 3,270 students or 5.6%;
- Society and Culture – up 4,600 students or 9.5%;
- Health – up 3,416 students or 13.3%;
- Education – up 1,490 students or 7.1%; and
- Creative Arts – up 1,173 students or 6.6%.

At undergraduate level, two fields showed substantial declines in commencements between 2004 and 2005: Information Technology (down 2,424 students or 16%); and Agriculture, Environmental and Related Studies (down 1,019 students or 21%).

Figure 6: Undergraduate commencing students, by field of education, 2004 and 2005

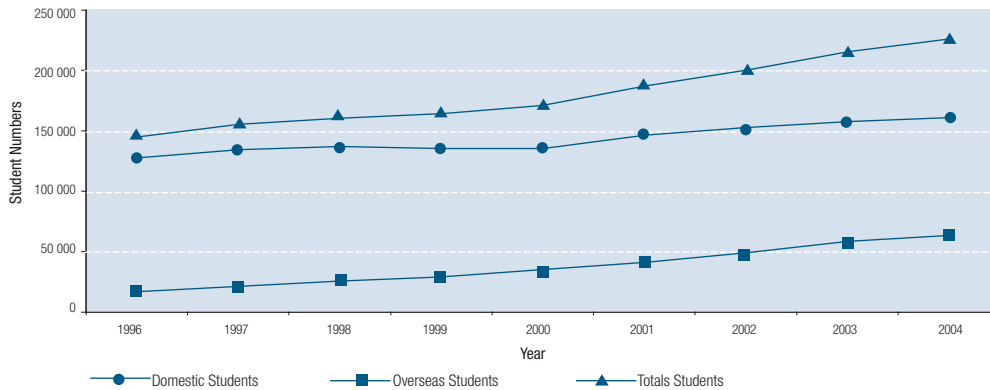


Source: Selected Higher Education Student Statistics (DEST)

1.3.2 Completions

The number of students completing courses in 2004 continued the large increases seen since 2000 (Figure 7). A total of 225,441 students completed their courses in 2004, an increase of 10,332 or 4.8% between 2003 and 2004. There were 161,622 domestic and 63,819 overseas student completions.

Figure 7: Completions for domestic, overseas and all students, 1996-2004



Source: Selected Higher Education Student Statistics (DEST)

Student completions were divided between the following:

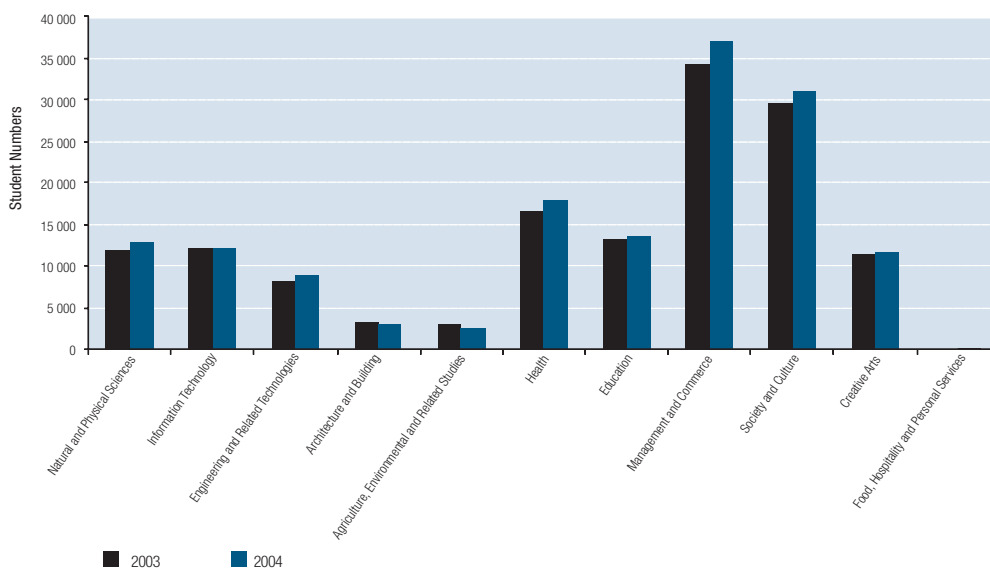
- Undergraduate – 144,202
- Postgraduate – 81,239

Undergraduate completions increased most between 2003 and 2004 (Figure 8) in the fields of:

- Management and Commerce – up 2,710 students or 7.9% to 37,050 students;
- Health – up 1,345 students or 8.1% to 18,041 students; and
- Society and Culture – up 1,210 or 4.1% to 30,924.

Management and Commerce had the largest number of undergraduate completions amongst the broad fields of education, with 25% of completions in 2004. Society and Culture (21%) and Health (11.9%) were the next largest fields in 2004.

Figure 8: Undergraduate completions, by field of education, 2003 and 2004



Source: Selected Higher Education Student Statistics (DEST)

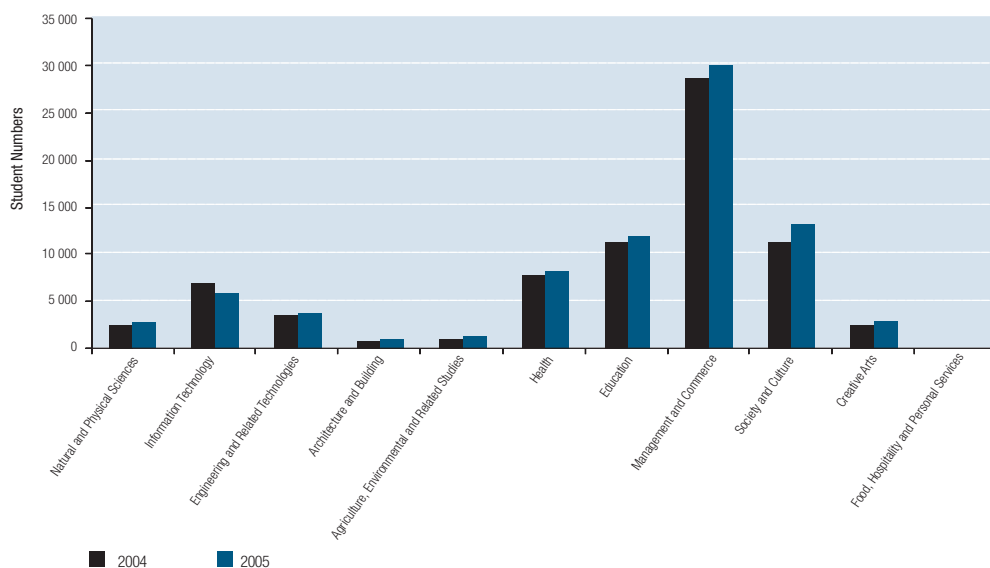
Postgraduate completions increased by 6% to 81,239 students between 2003 and 2004 (Figure 9).

The largest increases in postgraduate completions occurred in the following fields:

- Society and Culture – up 1,809 or 16% to 13,219 students; and
- Management and Commerce – up 1,245 or 4.3% to 29,995 students.

Information Technology was the only field to show declines in postgraduate completions between 2003 and 2004, falling 1,068 or 16% to 5,835 students.

Figure 9: Postgraduate completions, by field of education, 2004 and 2005



Source: Selected Higher Education Student Statistics (DEST)

1.3.3 Overseas student enrolments

In 2005, there were 239,495 overseas students undertaking study at Australian higher education providers, including 175,589 onshore enrolments.

In 2005, 57% (136,546) of overseas students were enrolled in undergraduate studies, slightly less than the 58% in 2004. There were 90,231 postgraduate students from overseas enrolled in 2005. The majority of these postgraduate enrolments (81%) were for Masters by Coursework. Table 1 lists the number of overseas student enrolments in 2005 by field of education.

Table 1: Overseas student enrolments by field of education, 2005

Field of education	Number of enrolments	Percentage of total
Agriculture, Environmental and Related Studies	1 408	0.6
Architecture and Building	3 958	1.7
Creative Arts	10 013	4.1
Education	7 229	3
Engineering and Related Technologies	18 797	7.8
Food, Hospitality and Personal Services	5	0
Health	13 771	5.7
Information Technology	31 001	12.8
Management and Commerce	114 945	47.3
Mixed Field Programmes	9	0
Natural and Physical Sciences	10 896	4.5
Non-award courses	12 598	5.2
Society and Culture	18 259	7.5
TOTAL (a) (b)	242 889	100

Source: Selected Higher Education Student Statistics (DEST)

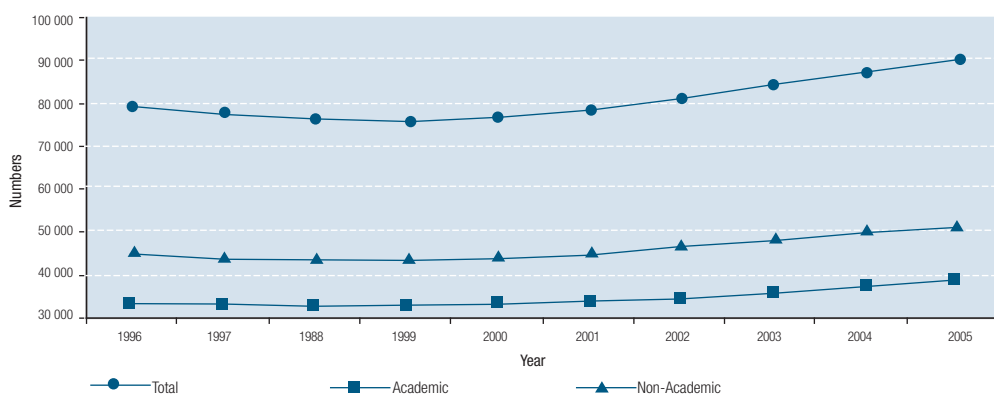
(a) The data takes into account the coding of Combined Courses to two fields of education. As a consequence, counting both fields of education for Combined Courses means that the totals may be less than the sum of all fields of education.

(b) Total may not add to 100% due to rounding.

1.3.4 Staff

In 2005, there were 90,407 full-time staff employed in higher education institutions⁶ (Figure 10). This is an increase of 3.1% from 2004 and 15% since 1996 and continues the pattern of steady increases in numbers since 1999. More than half work in non-academic fields such as student services or academic support (51,455 or 56.9%) and the majority are employed on an ongoing basis (60,016 or 66.4%, down from 67.2% in 2004).

Figure 10: Number of full-time and fractional full-time staff by classification type, 1996-2005

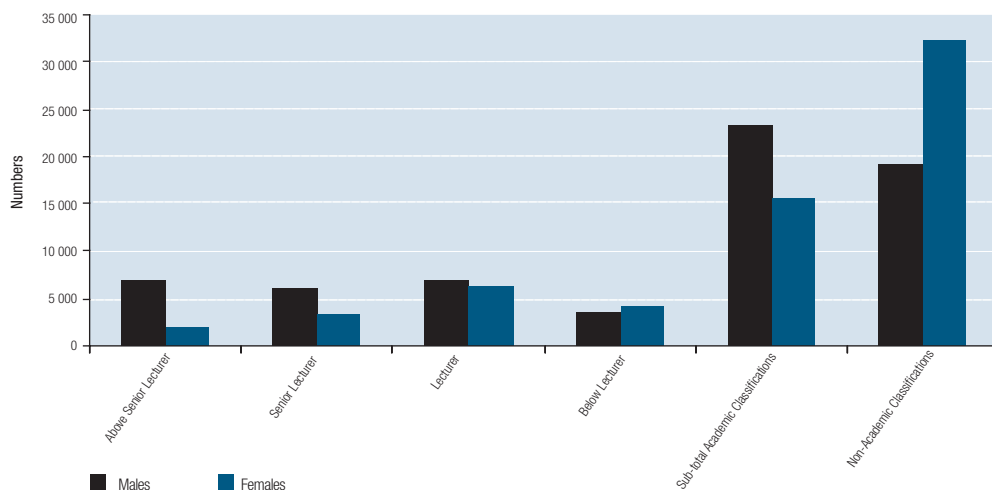


Source: Staff 2005, Selected Higher Education Statistics (DEST)

⁶ Staff data includes all institutions listed in Table A of the Higher Education Support Act 2003, Avondale College and the Australian Defence Force Academy.

Females count for a higher share of employees than males, making up 53% of all staff in 2005. However, most females are employed in non-academic classifications (67% of females are non-academic in 2005, compared with 45% of males). Males also continue to outnumber females in the Above Senior Lecturer classification. In 2005, 6,878 males were employed at this level compared to just 1,881 females.

Figure 11: Number of full-time and fractional full-time staff by function and gender, 2005



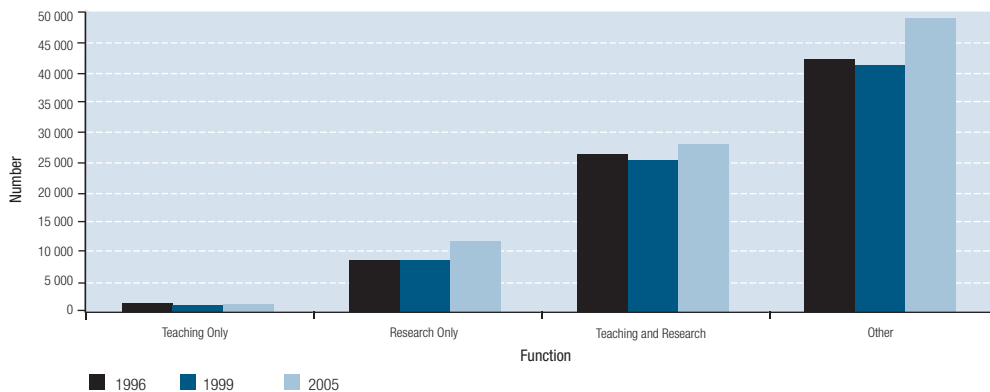
Source: Staff 2005, Selected Higher Education Statistics (DEST)

The number of staff employed in a 'teaching only' function decreased by 162 in 2005 to 1,239 after several years of increases. In 1996, the number of teaching only staff was 1,587. Whilst there has been consistent growth in the other categories, the 'teaching only' classification has declined by almost 22% (-348) since 1996 (Figure 12). Some of this decline has been caused by the re-classification of staff from this category into 'teaching and research'.

The 'research only' field of employment has shown consistent increases since 1996, the only decline in numbers occurring in 1998. Research staff numbers have been particularly strong in the last three years, rising to 11,993 in 2005, an increase of 594 over the previous year and 38.7% (3,332) since 1996.

The category of 'teaching and research', used to classify staff that divide their time between both teaching and research activities, grew by 997 staff in 2004 to 28,148 in 2005, a 6.8% growth in this category since 1996. In the 'other' category, which is made up of non-academic staff, numbers increased by 1,320 from 2004 levels (to 49,087 in 2005), a 16.3% growth above the 1996 level.

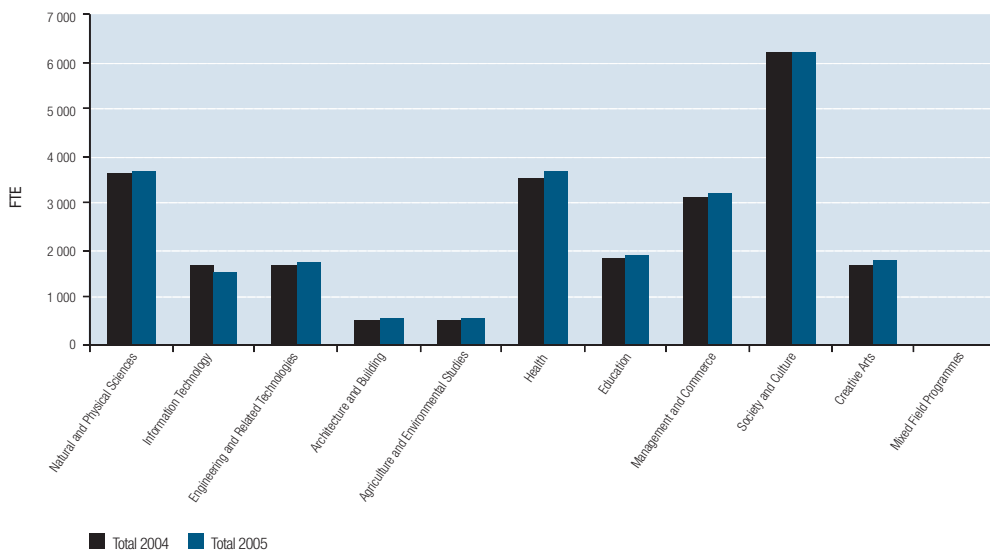
Figure 12: Number of full-time and fractional full-time staff by function, 1996, 1999 and 2005



Source: Staff 2005, Selected Higher Education Statistics (DEST)

The field of 'society and culture' had the largest full-time equivalence of 'teaching' and 'teaching and research' staff in 2005. This field includes subjects such as languages, economics, psychology, law, political sciences and studies in human society (history, archaeology, Indigenous studies etc). Almost twice as many teaching staff were employed in this field than in other areas such as sciences, health, or management and commerce (Figure 13).

Figure 13: Full-time equivalent and fractional staff with a teaching only or a teaching and research function by academic organisational group, 2004 and 2005



Source: Staff 2005, Selected Higher Education Statistics (DEST)

1.4 Participation by Equity Groups

The Australian Government has identified a number of groups as targets for equity planning, on the basis of their history of relative disadvantage in accessing higher education. Following a review of equity in 2004, as part of the *Our Universities: Backing Australia's Future* reforms, the target groups for higher education are: students from low socio-economic status backgrounds; students from rural and isolated areas; students with disabilities; students from non-English speaking backgrounds; and Indigenous students. Table 2 and Figure 14 show the relative performance of these groups in 2005. Data relating to Indigenous students in higher education is shown in Figure 15. Details of the Australian Government's Higher Education Equity Support Programme and related activities can be found at Part 2.3 of this report.

Table 2: Equity groups in higher education, 2005

Equity Group	Number of Students 2005 ^(d)	Share of Domestic Students 2005 ^(d) (%)
Students from low Socio-economic (SES) background ^(a)	102 394	14.5
Students from a non-English Speaking Background ^(b)	26 314	3.7
Students from rural areas ^(c)	118 021	16.7
Students from isolated areas ^(c)	8 520	1.2
Students with a disability ^(d)	27 661	3.9

Source: Selected Higher Education Student Statistics, various years

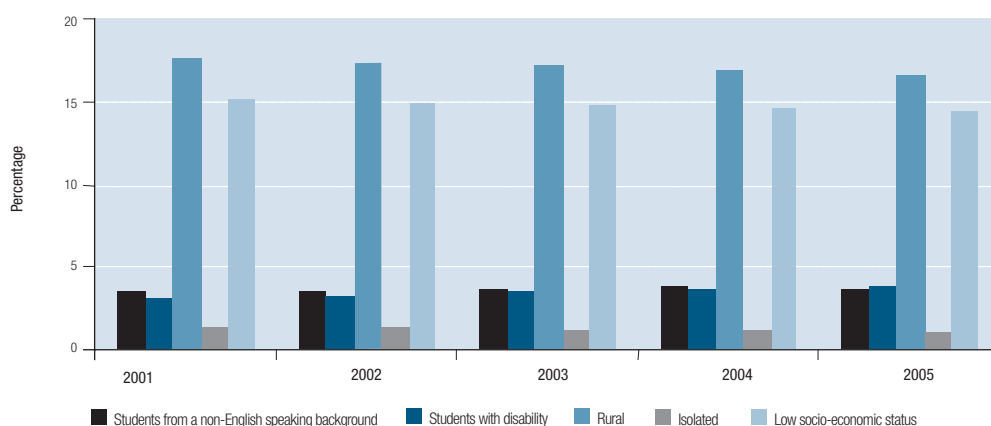
(a) Students whose home postcode falls within the lowest quartile of the population as determined by the ABS Index of Education and Occupation.

(b) Students born overseas who arrived in Australia less than ten years ago and who speak a language other than English at home.

(c) Students whose home address is identified as rural or isolated according to the Rural, Remote and Metropolitan Areas Classification (RRMA) updated by the Australian Institute of Health and Welfare.

(d) Student equity data excludes domestic students whose permanent home address is overseas.

Figure 14: Proportion of equity group students in higher education, 2001- 05



Source: Higher Education Student Statistics, various years (DEST)

The progress made by these groups in recent years has varied. Between 2001 and 2005 the proportion of all domestic higher education students with a disability has increased. The proportion of students from non-English speaking backgrounds has remained relatively stable. The proportions of students from rural areas, isolated areas and low socio-economic backgrounds have declined slightly over the five-year period.

Overall, students from equity groups have tended to achieve success and retention outcomes comparable to those of other students, indicating that increasing access continues to be the key issue for improving equity outcomes.

1.4.1 Students from socio-economically disadvantaged backgrounds

The proportion of all domestic students from low socio-economic backgrounds declined slightly between 2001 and 2005, from 15.1 to 14.5%, however, the number of students remained relatively stable with 102,598 in 2001 and 102,394 in 2005. Students are classed as being from a low socio-economic background if their permanent home address postcode falls within the lowest quartile of the population as determined by the Australian Bureau of Statistics' *Index of Education and Occupation*.

1.4.2 Students with disabilities

The proportion of students with a disability who are enrolled in higher education has been increasing since statistics were first collected in 1996. Students with a disability comprised 3.9% of all higher education students in 2005, up from 3.1% in 2001. Between 2001 and 2005 their numbers increased by almost 30%; from 21,307 to 27,661. More information on programmes to assist students with disabilities can be found in Part 2.3 of this report.

1.4.3 Students from a non-English speaking background

The proportion of students from a non-English speaking background has remained relatively stable since 2001. Between 2001 and 2005 the group's share of the total domestic student population increased slightly from 3.6 to 3.7%, with numbers increasing from 24,498 to 26,314. Students in this higher education equity group are domestic students who arrived in Australia less than ten years ago and speak a language other than English at home.

1.4.4 Students from rural and isolated areas

The total number of students from rural and isolated areas decreased slightly from 129,825 in 2001, to 126,541 in 2005. In 2001, rural students comprised 17.7% of domestic students and isolated students 1.5%. In 2005, the proportion of domestic students from rural areas declined slightly to 16.7% and isolated students to 1.2%.

1.4.5 Indigenous students

The number of Indigenous higher education students at Australian higher education providers decreased by 5.9% in 2005 – from 8,895 students in 2004 to 8,370 students in 2005.

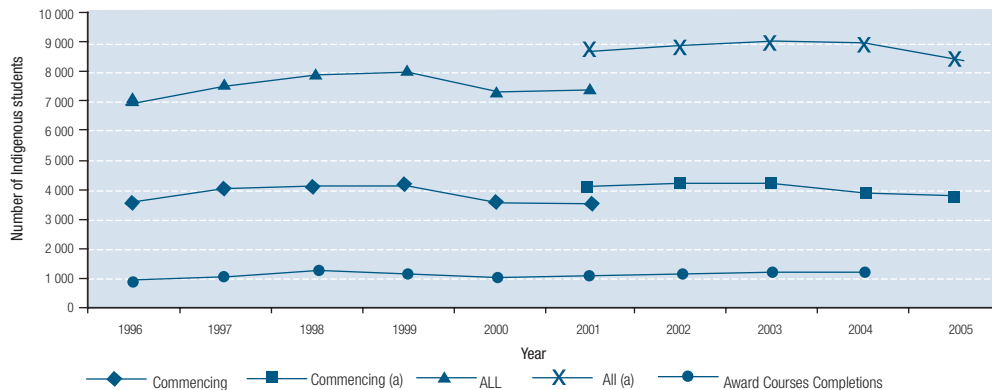
Indigenous commencements in courses with special interest such as nursing, initial teacher training and medical practitioner, while declining, continued to be a higher percentage of cohort commencements than the domestic cohort (15.8% compared to 13.35%), although the gap narrowed slightly between 2004 and 2005. Total commencements in courses with special interest declined overall in 2005 by 8%.

Continuing declines in Indigenous involvement in higher education will perpetuate disadvantages experienced by Indigenous Australians and hinder their full participation in Australia's economic and social development.

There has, however, been an increase in the number of commencing Indigenous students at the bachelor level (2.9% in 2005, and 9% between 2001 and 2005).

Indigenous student numbers at the doctoral level also continued to increase, by 5.3% in 2005, and 67.9% between 2001 and 2005.

Figure 15: Commencing and all Indigenous students, 1996 and award course completions by Indigenous students, 1994-2004



Source: Higher Education Student Statistics, various years (DEST)

(a) Data calculated on basis of full-year scope, replacing the previous measure of enrolments at 31 March of reference year.

1.5 Graduate Outcomes

Information is collected from students on their destinations and starting salaries through the annual Graduate Destination Survey (GDS). The GDS is a study of the activities of new domestic university graduates conducted around four months after the completion of their qualifications. The GDS is undertaken by Graduate Careers Australia (formerly the Graduate Careers Council of Australia), an organisation independent of government, although it is supported with funding from the Australian Government. The Survey provides a range of data on the employment and study destinations of graduates and their starting salaries.

The GDS is complemented by the Course Experience Questionnaire (CEQ), a one-page adjunct to the GDS which provides information from graduates on satisfaction with their studies.

1.5.1 Graduate destinations

Table 3 shows the proportion of all recent bachelor degree graduates who were in full-time employment, seeking full-time employment, in full-time study or undertaking other activities, four months after completing their degree. In 2005, the proportion of recent graduates in full-time employment within four months of completing their degree was 54.5%, compared with 52.9% in 2004.

Of those graduates who were seeking full-time employment, 80.9% had found it within four months of completing their studies. A further 12.3% were working on a part-time or casual basis while still seeking

full-time employment and 6.9% were not working and seeking full-time employment. The proportion seeking full-time work and not working (6.9%) is the lowest it has been since 2000 and below the ten year average of 7.8%.

Table 3: Bachelor degree graduate destinations, 2000-05 (%)

Year	In full-time employment	Seeking full-time employment*	Full-time study	Other	Total
2000	54.6	9.7	24.2	11.5	100
2001	55.7	10.0	23.4	10.9	100
2002	53.2	11.2	24.1	11.5	100
2003	53.7	12.1	22.8	11.4	100
2004	52.9	12.9	23.4	10.8	100
2005	54.5	12.9	22.5	10.1	100

Source: Graduate Careers Australia

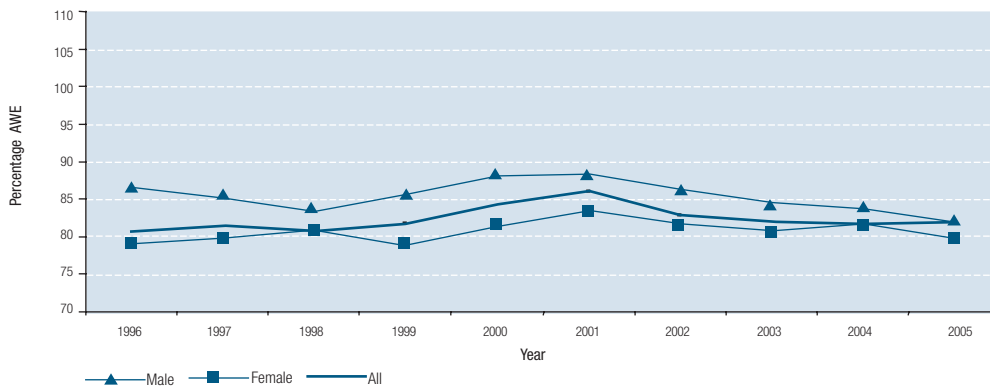
*In part-time or casual employment, seeking full time employment

1.5.2 Starting salaries

In 2005, the graduate starting salaries as a proportion of male Average Weekly Earnings (AWE) was 81.8%, up slightly from 81.6% in 2004. Trends in graduate starting salaries for males and females are shown in Figure 16 below.

The median annual salary for bachelor degree graduates aged less than 25 years of age and in their first full-time employment in 2005 was \$40,000 (up from \$38,000 in 2004). The median starting salary for female starting graduates (\$39,000) was 97.5% of that for males (\$40,000), a slight increase from 97.4% in 2004.

Figure 16: Male, female and all graduates' starting salaries as a proportion of the annual rate of average weekly earnings, 1996-2005

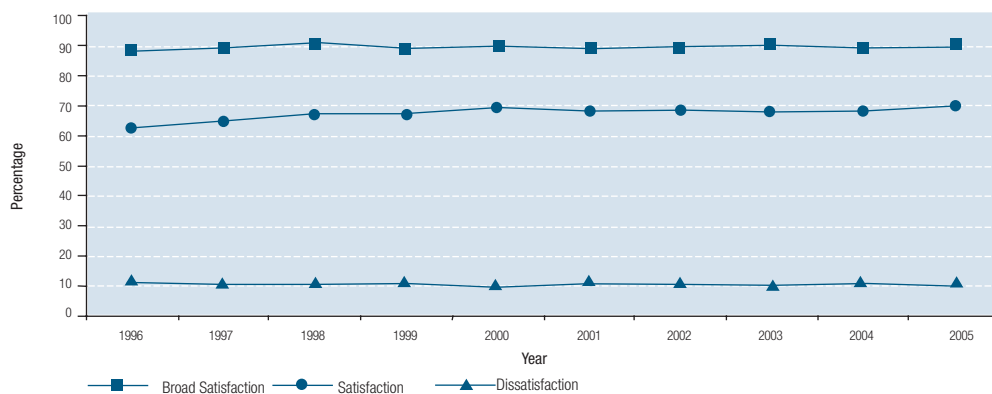


Source: Graduate Careers Australia: Gradstats, various years

1.5.3 Graduate satisfaction

As shown in Figure 17 below, in 2005, overall satisfaction with courses remained at a high level with 89.8% of all bachelor degree graduates expressing overall broad satisfaction (89.4% in 2004). Dissatisfaction remained low over the period 1996-2005. Overall, the 2005 survey saw graduates expressing more positive perceptions of all facets of their courses than earlier cohorts.

Figure 17: Level of satisfaction with courses, bachelor degrees, 1996-2005



Source: Graduate Careers Australia Gradstats, various years

