

Regional Universities Network (RUN) Submission to the National Commission of Audit

General Comments

Regional universities have a fundamental role to play in the development of the nation. They drive regional economic, social, cultural and environmental development, innovation and productivity, and help unlock the full human potential of their regions and hence the nation.

Regional Universities Network

The Regional Universities Network (RUN) is a group of six regionally based universities (CQUniversity, Southern Cross University, University of Ballarat, University of New England, University of Southern Queensland, University of the Sunshine Coast), all with close links to their communities, dedicated to further enhancing the role that regional universities play in the development of their regions and the nation.

RUN universities teach more than 100,000 students across 29 campuses or 9% of enrolments in Australian public universities. They educate 25% of Australia's regional higher education students, 34% of its domestic distance education students, 16% of its lower socio-economic status students, 15% of its Indigenous students, and 32% of its students in enabling courses.

RUN is committed to enhancing collaboration amongst its members across the full spectrum of university activities to enhance the efficient use of resources in our universities. In 2012 our Vice-Chancellors signed a multi-lateral agreement, the RUN Accord, to promote collaboration and foster economies of scale for the benefit of our students and staff.

Public benefits of Higher Education

There are significant public benefits derived from higher education, particularly as a result of the activities of regional universities, and the public money required to maintain existing levels of Commonwealth support is well spent in the regions. The funding provided by the Commonwealth for teaching and learning, research, innovation and other activities in regional universities is vital to for regional development. Research is a key part of being a university – without this many benefits would be lost to regional Australia. Research at RUN institutions attracts quality academics, builds institutional quality and capacity, and supports and contributes to regional industries and commercial activities.

There is a pressing need to increase participation by regional Australians at university to provide sufficient professionals to work in regional Australia, enable regional industries to diversify and grow, and enable regional Australia to participate fully in the modern world economy. Regional Australians comprise a significant proportion of our population – as at June 2012, 34% of Australia's population (7.7 million people) resided outside greater capital city areas and 30% lived outside major cities¹. Despite common misconceptions, the population of regional Australia is rising. Between 2007 and 2012, the population outside of the major cities rose by 6.6 per cent² and by 2026 is expected to grow by 26 per cent outside capitals³.

There is still a significant gap between higher education attainment in regional Australia compared with our capital cities. The further away you travel from capitals, the lower the post-school education attainment⁴. In 2011, 31 per cent of people aged 25-64 who lived in major cities held a Bachelor degree or above, compared to about half that in regional Australia; 18 per cent of Australians living in inner regional areas had a degree, declining to 15 per cent for outer regional areas and down to only 12 per cent for very remote areas⁵

Young people in regional Australia continue to be less likely to aspire to a higher education. While 63 per cent of young people in metropolitan areas intend to enrol in higher education, only 39 per cent in provincial areas and 32% in remote areas intend to do so.⁶

Regional Australia needs trained professionals to work in the regions, to innovate and diversify regional industry, fully participate in the modern economy, to grow regional development and enhance regional productivity. The best way to get professionals to work in the regions is to train them in the regions – 60-80 per cent of RUN graduates are employed in regional Australia a few months after graduation⁷.

The investment by Government in regional universities pays off. People with post-school qualifications not only have greater opportunity for employment, earn more, and in general have better health, but also make a greater broader contribution to society.

TOR - Privatisation of Commonwealth Assets

HECS-HELP

¹ Australian Bureau of Statistics (ABS) (2013) *Population by age and sex, regions of Australia, 2012*. Cat. no. 3235.0; ABS (2013) *Regional Population Growth, Australia, 2012* cat. No 3218.0.

² ABS (2013) *Regional Population Growth, Australia, 2012* cat. No 3218.0

³ ABS (2008) *Population Projections, Australia, 2006 to 2101* cat. No 3222.0 (Based on Series B projections)

⁴ ABS (2008) *Australian Social Trends, 2008* cat. No 4102.0

⁵ ABS 2011 Census community profiles

⁶ Australian Council for Educational Research (ACER) (2010) *Australian Regional Higher Education: Student Characteristics and Experiences*.

⁷ RUN Economic Impact Study, (2013); http://www.run.edu.au/resources/Economic_Impact_Study.pdf

Given the current budgetary constraints, RUN supports consideration of some modification to the HECS-HELP scheme to address the issues described below under the Student Demand Driven System.

TOR - Options to manage expenditure growth, including through reviewing existing policy settings, programs and discretionary spending (such as grants) Specific Funding and Programs

Student Demand Driven System

The Government must continue to implement policies that will continue to address the gap in higher education attainment between regional Australia and capital cities. The demand driven system is about deregulation and letting the market work, which is something the Government should support. It has fostered a more even balance between supply and demand in the Australian higher education system⁸.

The student demand driven system has been critical in lifting participation in higher education in regional Australia. It has enabled our universities to put on new courses in areas such as allied health and engineering, and increase the number of professionals in the regions. We have built new infrastructure, largely funded by the Government, to support this growth. Growth in student numbers must be continued to make full use of the infrastructure.

The student demand drive system only commenced in 2012 so the first cohort of graduates will not complete their three year Bachelors' degrees until late 2014. The years leading up to and including the commencement of the demand driven system coincided with strong growth in student enrolments. Across our public universities, enrolments grew by 34.3% between 2005 and 2012, and by 21.4% between 2009 and 2012 (see Attachment, figure one). Enrolments at RUN universities grew by 25.9% and 18.5% respectively.

The Department of Education is yet to release 2013 enrolments data or the final figures for applications and offers for 2013. Yet there are already indications that the rapid growth evident in recent years may have started to ease. The latest published figures reveal that as at February 2013, growth in applications to tertiary admissions centres (TACs) for undergraduate places (highest preference only) increased by a modest 0.5% over the previous 12 months. This compares with 2.2% growth the previous year (final figures) and 9.4% for the four years from 2009-2012 (see Attachment, figure two). It should be noted, however, that these figures do not take account of applications made directly to universities. Direct applications represent a significant and growing share of applications, particularly at RUN universities (see Attachment, figure three).

Similar figures are available for offers of places. As at February 2013, the number of offers relating to TAC undergraduate applications grew by 0.6% over the previous

⁸ Andrew Norton, 2013, *Keep the Caps Off!*; Report for the Grattan Institute

year. By comparison, offers grew by 5.2% between 2011-2012 and by more than 16% over the four years from 2009-2012.

Should these trends continue, calls from some quarters to dismantle the demand driven system on the basis of expectations of continued and unsustainable growth, and thus calls on the public purse, may prove groundless.

RUN strongly supports the continuation of the student demand driven system for bachelor places, and extending the demand driven system to sub-bachelor places. We also consider that it is important to address the inequities in the distribution of postgraduate coursework places that have developed over time, and would be pleased to work with the Government on developing the appropriate policy framework around this.

Given the current budgetary constraints, RUN supports consideration of some modification of the HECS-HELP scheme, such as selling the debt and some flexibility in the student contribution. If lowering the repayment threshold is considered, careful modelling should be undertaken to determine the impact on various professions. RUN is concerned that many of our graduates in fields such as nursing, teaching and social work may be disproportionately disadvantaged by such a move, particularly those in single income households.

In addition, universities would be better able to utilise their available income if red-tape was cut as per the government's commitments and the recommendations of the review "*Assessing Quality While Reducing the Higher Education Regulatory Burden*" by Professor Kwong Lee Dow and Professor Valerie Braithwaite.

Consideration could be given to expanding the HECS-HELP scheme to cover the costs of regional accommodation.

Higher Education Participation and Partnerships Program

The Higher Education Participation and Partnerships Program (HEPPP) provides funding for universities to implement strategies to improve access by students from low SES backgrounds to undertake study, and to enhance their retention and completion rates. The program is critical in lifting the participation rate at university by low SES students – important in regional Australia if we are to significantly lift participation at university and grow regional productivity.

Regional universities attract a significantly higher proportion of their students from low SES backgrounds, reflecting the demographic characteristics of their communities. For example, RUN universities enrol 9% of Australian undergraduate students but 17% of low SES students. RUN universities also account for a disproportionate share of enrolments of students from Indigenous, and rural and remote backgrounds, and students who are the first in their family to attend university. For these reasons, any moves to reduce or abolish HEPPP would have serious consequences for the capacity of regional universities to raise the

educational aspirations of their communities and to deliver high quality education in a supportive environment.

HEPPP funding varies from year to year but it should continue as expected at around \$190 million/year for the next four calendar years.

Collaborative Research Networks

Research is a key part of being a university. Research at RUN institutions attracts quality academics, builds institutional quality and capacity, including in teaching and learning, is essential for the training of research students, and supports and contributes to regional industries and commercial activities.

RUN universities are strategically growing their research effort to maximise their contribution to research and innovation in regional Australia. Our universities are relatively young and the research effort is increasing significantly. Funding invested in research will be highly productive, focused and yield a high return.

The Collaborative Research Networks program (CRN) is being funded from 2011 to 2016 to improve the research capacity of smaller, less research-intensive and regional universities. The program supports less research intensive universities to partner with other institutions in areas of common research interest. All partners benefit from participating, with flow-on effects for the research and innovation system as a whole. Fifteen projects are being supported at a total cost of \$81 million. Six of the projects are led by RUN universities which will each attract between \$4.6-\$6.0 million over the course of the program.

The CRN program is contributing greatly to the growth of the research effort at the recipient universities. Specific benefits include: attracting outstanding researchers (including PhD students, early career and senior researchers); enhancing the profile of research in the university; increasing research funding; increasing research publications; developing collaborative partnerships with other, more research intensive universities which will lead to future proposals for collaborative research, increased research income from other sources and increased research publications.

RUN considers that the extension and possible expansion of the CRN program beyond 2016 would play a major role in further enhancing the research and research training capabilities of Australia's regional universities, and enhance the innovation and productivity of regional Australia.

TOR – Scope of government and the split roles of Commonwealth, State and Territory governments

While acknowledging the base differences between the vocational and higher education sectors, it is our view that consideration should be given to funding the VET sector by the Commonwealth rather than the States and Territories. With the regulation of VET now occurring predominantly at the Commonwealth level, and the

disparate ways in which VET is funded by the States and Territories, there would be benefit in consideration to shifting the locus of funding to the Commonwealth. This would result in a more consistent experience and cost for VET students across Australia and provide opportunities for greater collaboration between the higher education and VET sectors.

TOR - Improve the efficiency and effectiveness of government generally

Through RUN, regional universities are exploring opportunities for efficiency gains and productivity improvement through the sharing of infrastructure, services and collaborating in the delivery of academic programs. Regional universities have also risen to the challenge posed by regional and remote access to education by providing flexible and online education and enabling students to access education by providing multiple entry pathways and support programs.

TOR – Commonwealth Infrastructure

The rapidly changing technology environment is being matched by rapid changes in students' expectations about how they interact with their learning. Universities, and regional universities in particular given their high proportion of online and distance education students, must be able respond rapidly to these changing expectations. It is therefore essential that they are able to make sufficient investments in technology infrastructure to remain relevant in the global context. Commonwealth programs such as the Structural Adjustment Fund and Education Investment Funds have been key enablers for this development and we would encourage the Commonwealth to consider allocating funding to such programs in the future, particularly in regional Australia.

1. Enrolments by domestic, commencing undergraduate students, by year (based on the Department of Education's Higher Education Student Statistics collection)

	Enrolments										% increase 2005-2012	% increase 2009-2012
	2005	2006	2007	2008	2009	2010	2011	2012	2012	2012		
All public universities	169,813	171,997	174,838	175,047	187,861	201,470	206,883	228,022			34.3%	21.4%
% increase for all units from previous year		1.3%	1.7%	0.1%	7.3%	7.2%	2.7%	10.2%				
RUN universities	17,275	16,353	16,995	16,874	18,356	19,599	20,198	21,752			25.9%	18.5%
% increase for RUN units from previous year		-5.3%	3.9%	-0.7%	8.8%	6.8%	3.1%	7.7%				

2. Applications and offers for university study made through the tertiary admissions centres, by year

Based on the Department of Education's Applications, Offers and Acceptances report 2012 and the Department's report for February 2013. Figures for 2013 are not final

	Applications					Offers				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
All public universities	249,743	266,996	267,210	273,167		191,068	204,794	211,485	222,476	
% increase for all units from previous year		6.9%	0.1%	2.2%	0.5%		7.2%	3.3%	5.2%	0.6%
RUN universities	14,604	16,052	14,986	15,450		13,100	14,167	14,861	15,238	
% increase for RUN units from previous year		9.9%	-6.6%	3.1%	-5.3%		8.1%	4.9%	2.5%	-4.8%

3. Applications made directly to universities and offers, by year

Based on the Department of Education's Applications, Offers and Acceptances reports for 2011 and 2012. Comparable data is not available for earlier years or for 2013.

Direct applications and offers	Applications		Offers	
	2011	2012	2011	2012
All public universities	71,575	76,805	56,427	61,833
% increase for all units from previous year		7.3%		9.6%
RUN universities	11,011	11,782	8,966	10,427
% increase for RUN units from previous year		7.0%		16.3%