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Thank you for the opportunity to comment on the Department's Consultation Paper regarding the proposed reallocation of Commonwealth supported places for enabling, sub-bachelor and postgraduate courses.

Central Queensland University believes that a review of the historical distribution of Commonwealth supported designated places is both timely and appropriate. The current distribution mechanism is a legacy of ad-hoc historical decisions rather than reflecting the current needs of Australia's higher educational sector, and is not flexible or responsive to changing stakeholder needs. The University welcomes the initiative from the government to make the distribution methodology more transparent and responsive to community needs.

The University believes that a strong economic and socio-economic rationale exists for re-allocating Commonwealth supported places to support educationally disadvantaged communities in regional and remote Australia. The role of higher education in driving future domestic economic growth has been recognised in key government policy papers such as the Treasury's *Intergenerational Report* (2015) and the Productivity Commission's *Shifting the Dial* (2017); while the contribution of higher education to broader quality of life issues is recognised by embedding higher education participation and attainment rates into quality of life indexes such as the Australian Bureau of Statistics' *Socioeconomic Index For Areas* (2011). These reports and indices note both the vital role of higher education in providing opportunities for individuals; in developing the nation's future economic growth; and in ensuring that in a modern, service-based economy that all Australians have access to quality professional services (such as health and education).

In that context, the current inequities within Australia in access to, participation in and completion of higher education qualifications must be viewed as a concern. A range of recent studies confirm that significant disparities exist within Australia in terms of students accessing and completing higher education opportunities:

- The Australian Curriculum, Assessment and Reporting Authority's *National Report for 2017* (2017) notes that across all NAPLAN achievement domains, students from major metropolitan areas consistently outperform students from regional and remote areas at all NAPLAN assessment levels (Year 3, 5, 7 and 9), creating challenges for students from regional and remote areas meeting academic requirements for entry to higher education opportunities;
- Education Queensland's *Next Step Survey* (2015) notes that while 44% of school leavers from Southeast Queensland proceed to university study immediately following the completion of secondary school, only 28.5% of school-leavers from remainder of Queensland proceed to university on the same basis;

- The Mitchell Institute's *Educational Opportunity in Australia* (2015) notes that while 34.6% of 20-24 year olds in Australia's cities were engaged in tertiary study, only 12.5% to 12.7% of 20-24 year olds in regional Australia were similarly engaged. Similar disparities existed based on students' socioeconomic status;
- The Department of Education and Training's own datasets (2018) consistently show students from metropolitan backgrounds having higher 4, 6 and 9 year completion rates than students from regional and remote backgrounds; and that students from high and medium SES backgrounds consistently have higher completion rates than students from low SES backgrounds.

Taken together, these studies show a progressive accumulation of educational disadvantage in regional and remote Australia, with young people from regional and low SES backgrounds achieving lower school results, being less likely to progress to university study and, once enrolled at university being less likely to complete. That educational disadvantage has significant economic costs. Lamb and Hue (2017) estimate the fiscal and social cost to society of individuals not engaged in full-time work or study by the age of 24 is approximately \$412,000 per individual, with many of those costs falling directly on the individual's local community. Research by the Gonski Institute (2018) on the economic impact of regional disparities in educational attainment in Australia suggests that addressing such disparities could improve Australia's Gross Domestic Product by 3.3%, or more than \$56 billion.

Commonwealth support for students from regional and disadvantaged backgrounds has an essential role in addressing those disparities. Commonwealth supported enabling places ensure that mature-age students from regional and disadvantaged backgrounds are able to access tertiary education later in life at a time that best suits their personal circumstances, with the proportion of commencing undergraduate students aged 25 years or more being more than twice as high at regional universities in Queensland than at metropolitan institutions (QTAC, 2018). These mature-age students then play a key role in meeting the human capital needs of their regions – in regional Queensland locations such as Wide Bay, bachelor degree graduate are on average five years older upon first entering the workforce than Southeast Queensland (Australian Graduate Survey, 2015) because of those regions' reliance upon mature-age graduates. The current distribution of Commonwealth funded enabling and sub-bachelor courses amongst Queensland universities reflects the historical reliance of regional areas upon mature-age graduates to fill their graduate workforce needs, and is highly reflective of regional workforce needs.

However, in the context of addressing educational opportunity and inequity, Central Queensland University has significant concerns with the current distribution of Commonwealth funded postgraduate places within the Australian higher education sector. The University's services a region with a very low level of postgraduate attainment (Australian Bureau of Statistics, 2016), and has a student cohort with a very low ability to afford full-fee postgraduate study, having the largest proportion of commencing undergraduate students from low SES backgrounds of any Table A provider in Australia (Department of Education and Training, 2018). However, the current distribution of Commonwealth supported postgraduate places allocates the University the smallest allocation of Commonwealth funded postgraduate places of any Table A provider in Australia. The University believes that its current allocation of Commonwealth supported postgraduate places embeds educational inequity in regional Australia by limiting the opportunities for students from regional Australia to undertake postgraduate study.

The University has provided feedback below to the specific consultation questions noted in the discussion paper, however believes that the points noted above should form the underlying rationale for allocation of Commonwealth supported places. Such an investment by the Commonwealth would address existing educational disadvantage in regional, remote and low SES communities, improve socioeconomic equality within Australia, and generate a tangible economic return on the funds invested by government.

Yours sincerely

A handwritten signature in black ink that reads "Nick Klomp". The signature is written in a cursive, slightly slanted style.

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## Summary Questions

### 1. Should geographical representation be a consideration in distribution of places?

As indicated above, Central Queensland University strongly believes that geography should play a key role in the distribution of Commonwealth Supported Enabling, Sub-Degree and Postgraduate places. Geography is a key contributing factor to the relatively low levels of educational attainment amongst regional/remote and low socioeconomic students in Australia, and in students being able to access higher education courses. Ensuring that all Australians have access to a broad range of Commonwealth supported study opportunities should be a key consideration in any distribution or reallocation mechanism – particularly given the current disparities in the level of educational opportunity and attainment between regional and metropolitan Australia.

At a practical level, geography is a key factor in determining access to educational opportunity in regional Australia. Central Queensland University currently services one of the most educationally disadvantaged areas of Australia, as evidenced by the University having the highest rate of access by low SES undergraduate students of any University in Australia. However, despite this disadvantage, the Central Queensland region is very poorly serviced in terms of educational programs and support to address that disadvantage. None of the six Queensland Pathway State Colleges (developed by the state government to provide pathways for adolescents facing barriers in accessing mainstream educational opportunities) or the ten state high schools offering on-campus opportunities for mature-age learners to complete Yr 12 are located in Central Queensland - for a mature-age student in Rockhampton seeking to complete Yr 12, the closest on-campus option available to them via the state education system is at Nambour State College, more than 500km away. This geographic reality plays a key role both in driving demand for the University's enabling and sub-bachelor courses, and in limiting students' access to similar courses available in other locations in Queensland.

Students in major metropolitan centres such as Brisbane, Sydney and Melbourne have access to a range of tertiary education opportunities offered by a number of providers. If one institution in those metropolitan centres has its quota of Commonwealth supported places significantly reduced, students still have a range of alternative courses and options available to them. By comparison, a significant reduction in the number of Commonwealth supported places available at regional institutions such as Central Queensland University may mean the nearest alternative opportunity for students is literally hundreds of kilometres away. For mature-age students with on-going work and family commitments, this will typically mean that those alternate opportunities are in practice simply not accessible to students. The University strongly believes that such equity of access considerations for regional communities should be a key consideration in any distribution mechanism.

### 2. What is the minimum viable allocation for enabling, sub-bachelor and postgraduate places?

At a practical level, the answer to this question will vary depending on institution and the type of Commonwealth Supported place being considered. For example, institutions may choose to offer a mix of Commonwealth supported and domestic full-fee places in a postgraduate course - this may mean that Commonwealth supported places are only one component of the student load in a postgraduate course, and the minimum number of Commonwealth supported postgraduate places that an institution can effectively utilise is quite low. However, Commonwealth supported places are typically the only funding method available to support student enrolments at an enabling and sub-bachelor

level, and such courses typically need to be made viable on Commonwealth supported enrolments alone – this requires a larger allocation of places for those courses to be viable.

Allowing institutions to internally redistribute a limited proportion of their Commonwealth supported load allocations at one level to support activities at another level may provide institutions with sufficient flexibility to address this issue. For example, allowing an institution to internally reallocate up to 20% of its Commonwealth Supported sub-bachelor quota to support its postgraduate courses could allow an institution to sustain the viability of its postgraduate courses, even if the number of Commonwealth supported places allocated to those courses is limited. The institution concerned would have to make a decision as to whether it believed that it would be able to grow its quota of Commonwealth supported postgraduate places to a viable level, or whether supporting its postgraduate offerings from its sub-bachelor allocation was a strategy it wished to sustain in the longer term.

Students enrolling in those enabling courses in the short-term and create a track record in delivery could be used to assess those enabling courses against future reallocations. It would also remove the onus from the Department to provide “seed funding” or similar support for such initiatives, and require that the institution concerned undertake an informed analysis of its community needs and decide whether it wishes to invest resources in addressing those needs or not.

### **3. How often should places be re-distributed? Should this vary for enabling, sub-bachelor and postgraduate places?**

Please see comments relating to Question 4 below.

### **4. What proportion of places should be reallocated? Should this vary for enabling, sub-bachelor and postgraduate places?**

The frequency of re-distributions and the proportion of places being redistributed should be balanced to allow universities to undertake realistic planning and management processes relating to course delivery, and to avoid cases where anomalies or “once-off” factors relating to a single year’s data may have an undue impact on institutional allocations.

A process whereby a limited proportion of all Commonwealth supported places (such as 20%) are redistributed every year (within the institution) would ensure that:

- Institution’s quota allocations reflect the most recent data available on community need and institutional responsiveness to such needs;
- Institutions have some certainty regarding future quota allocations, and will have the confidence to make long-term investment decisions in developing and delivering courses to meet their community needs, and;
- Redistributions and quota allocations are the outcome of demonstrable changes in community needs over time, rather than being reflective of a single year’s data.

The University would not support a process whereby an institution’s entire allocation of places is reviewed on a similar basis to the current institutional Funding Agreements (every three years). Such a process would create a very real risk for institutions due to the amount of funding at risk and the impact that such risk can have on planning future operations and course delivery.

**5. What are stakeholders' views on the allocation criteria suggested above? Are there other criteria which should be considered?**

A key factor not discussed above is the extent to which regional communities rely on mature-age students to meet their graduate workforce needs, and the extent to which enabling (and to a lesser extent sub-bachelor) courses provide pathways into tertiary education for mature-age students in those communities. Queensland Tertiary Admissions Centre (QTAC) (2018) data shows that in Term 1 2018, 37% of Central Queensland University's commencing QTAC enrolments in bachelor degree courses were students aged 25 years or older. Other regional institutions in Queensland also recorded high levels of mature-age enrolments, with 26% of the University of Southern Queensland and 22% of the University of Sunshine Coast's commencing bachelor degree students also being more than 25 years of age at the commencement of their course of study. By comparison, relatively fewer mature-age students enrolled at metropolitan institutions, with only 7% of commencing bachelor degree students at the University of Queensland, 11% of students at the Queensland University of Technology and 12% of students at Griffith University being 25 years of age or more at the commencement of their study.

Commonwealth supported enabling and sub-bachelor courses play a key role in preparing those mature-age students for tertiary study. Any significant reduction in the number of Commonwealth supported enabling and sub-degree places allocated to these regional institutions could be expected to have a disproportionately large impact on their total bachelor degree enrolments, and on their ability to meet their communities' graduate workforce needs. Data from the Australian Graduate Survey shows that the average age of bachelor degree graduates entering the workforce in regional areas of Queensland is significantly higher than in Southeast Queensland, and any decrease in the number of mature-age graduates entering the workforce in regional Queensland is likely to negatively impact on the skills base of regional communities.

As a result, the University would propose that the age profile of institutions' total Commonwealth supported bachelor degree enrolments (rather than commencing enabling enrolments) be included as a criterion for allocating and redistributing Commonwealth funded enabling places. This would allow a proxy assessment of how reliant regional communities in particular are on mature-age graduates to meet their workforce needs, and account for the relative importance of Commonwealth funded enabling courses in preparing mature-age students for tertiary study.

**6. How should criteria be configured to ensure that institutions do not become 'locked out' of future reallocations, especially where they have a limited track record in delivery?**

Allowing institutions to internally redistribute a limited proportion of their Commonwealth supported load allocations at one level to support activities at another level may provide institutions with sufficient flexibility to address this issue. For example, allowing an institution to internally reallocate up to 20% of its Commonwealth supported sub-bachelor quota to support its proposed enabling courses could support students enrolling in those enabling courses in the short-term and create a track record in delivery, which could be used to assess those enabling courses against future reallocations. It would also remove the onus from the Department to provide "seed funding" or similar support for such initiatives, and require that the institution concerned undertake an informed analysis of its community needs and decide whether it wishes to invest resources in addressing those needs or not. The

utilisation of such funding could be negotiated and specified on an annual basis as part of institutions' Funding Agreements.

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