



Emeritus Professor John Halsey
Independent Review into Regional, Rural and Remote Education
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RE: INDEPENDENT REVIEW INTO REGIONAL, RURAL AND REMOTE EDUCATION

Dear Professor,

Thank you for the opportunity to provide input to the above review and your time at the recent Port Pirie consultation session.

The Upper Spencer Gulf Common Purpose Group (now "Spencer Gulf Cities") is an alliance of the Port Augusta, Whyalla and Port Pirie Mayors and Councils, formed in 1998 as a forum for the three cities to progress the transition the Upper Spencer Gulf to cleaner, more innovative, liveable and economically diverse cities.

Our region is blessed with some of the most significant mineral and renewable energy resources, natural biodiversity and landscapes in the world. In addition, our three cities of Whyalla, Port Augusta and Port Pirie have a strong heritage, culture and capability in manufacturing and also provide a range of retail, sports, arts, health, education and specialist services for surrounding rural communities.

We have enormous potential to build on these comparative strengths and develop into a hub for renewable energy generation and testing; event and marine-based tourism; defence; value-adding and innovation in agriculture; and advanced manufacturing to support the mining and energy sectors.

These opportunities are now rapidly emerging, for example:

- After 18 months in administration, the recent sale of the Whyalla steelworks is expected to include significant investment into a 'GreenSteel' strategy encompassing mining, metal recycling, metal production, engineering and distribution.
- Filling the void left by last year's closure of South Australia's last coal fired power station, located at Port Augusta, will be a \$650 million, 150 megawatt 'concentrated solar thermal' power plant – the biggest of its kind in the world.
- Following 127 years of lead processing, the current \$563 million expansion of the Port Pirie smelter will see its transformation into an advanced multi-metals recovery facility and home to the largest 'e-waste' recycling facility in Australia.
- After a successful trial, world-leading technology is being used on a commercial scale by Sundrop Farms to supply solar electricity, heat and desalinated seawater to grow tomatoes in an arid-land horticulture operation near Port Augusta.
- Advanced biocrude-oil production company, Muradel, is expanding their Whyalla site, utilising sustainable and renewable organic based feedstocks as a direct replacement for non-sustainable oils such as mineral crude oils and palm plantation oils.
- Extending between Port Augusta and Whyalla, the Cultana Defence Training Area is expanding from 50,000 to just over 200,000 hectares to become one of the Australian Defence Force's largest training areas capable of supporting major joint exercises.

- Construction of the National Sterile Insect Technology (SIT) facility in Port Augusta was completed in 2016 and now produces up to 50 million sterile male Queensland fruit flies each week, for release as a bio-control into affected horticulture growing regions.
- In addition to the expansion of BHP's Olympic Dam copper, gold, uranium and silver mining operation, Oz Minerals are commencing construction of a \$916 million copper and gold mine just north of the Upper Spencer Gulf, with plans for a concentrate treatment plant also underway.

These examples pave the way for the transition of the Upper Spencer Gulf into a major economic growth and research hub in advanced manufacturing, cleantech and arid innovation.

To support this growth and foster innovation and leadership in these sectors, access to local technical expertise and research will be required.

In 2012 the South Australian Centre for Economic Studies highlighted education as the future foundation of economic and community growth, innovation and entrepreneurship in the Upper Spencer Gulf. This report identified a clear need to improve skills capacity in the region in order to realise a strong and prosperous economy. This finding was further highlighted in the SA Government report commissioned by PIRSA in assessing the feasibility of developing a heavy industry hub in the Upper Spencer Gulf and again in 2014 with a report by Strategic Economic Solutions specifically warning the lack of scientific and technical capability in the region is a key barrier to future growth and economic diversification.

In the Upper Spencer Gulf only 11% of adults hold an above certificate level qualification compared to the South Australian average of 23%.

These figures reflect a broader educational disparity with 31% people in urban centres holding a tertiary Bachelor degree, compared with only half this (15%) in outer regional areas and just 12% in remote and very remote areas.

This data reflects the observation in the Upper Spencer Gulf that at present, the technical, educational and research needs of both established and emerging mineral resources, processing, renewable energy and clean technology and manufacturing businesses based in the region are largely sourced externally to the region and with very little, if any, local or lasting capacity generated.

These findings are also reflective of the wider global trend that sees a persistent gap between the knowledge and skills that are most in demand in the workplace and those that education and training systems continue to provide.

Combined with the lack of skills and technical capability to support emerging industries, unemployment rates in the Upper Spencer Gulf remain above state and national averages, with the rate of youth unemployment nearly double these figures. Paradoxically, the level of 457 international worker visas being engaged to meet local workforce needs is also increasing.

Clearly, current education, skills and workforce development policy is not working for our region.

Over the past four years, the Upper Spencer Gulf Common Purpose Group has been working with a range of local industry, education and government partners to develop a new model to expand the higher education and research opportunities, pathways and partnerships in the Upper Spencer Gulf, tailored to the specific needs and situation of the region.

The main outcomes sought through the Upper Spencer Gulf Community Owned Tertiary Education Centre (COTEC) include:

1. Build lasting research/technical capacity in the region
2. Strengthen local decision making over what is delivered, how, when, by whom and quality
3. Expand higher education and research offerings delivered in the region
4. Secure an additional 2-5% new students per annum engaged in higher education in the USG
5. Stronger industry/community/provider partnerships
6. More efficient use of resources and avoiding duplication of effort
7. Establish a collaborative VET-HE physical presence within broader educational precinct
8. Higher education and research as an industry, as well as an enabler

The Community Owned Tertiary Education Centre (COTEC) model has arisen in regional Australia out of an increasing centralisation of both VET and higher education (HE) service delivery to larger population

centres that are able to sustain single-university or VET facilities, and a recognition that retention and graduation rates for unsupported distance education are considerably lower than for campus-attending students. For example, a recent paper shows that graduation rates for students studying via unsupported distance education vary between 0.5 – 20% compared to graduation rates of 80% or greater by students engaging in face to face learning.

Essentially the COTEC provides a higher education demand aggregation, brokering and coordinating service across multiple institutions. Facilities are owned and operated within the community, rather than by any single educational institution, with local COTEC staff providing operational support such as student enrolment, logistics, pastoral care, tutorials and administration, along with partnership development.

Management and governance oversight is provided by a local skills-based board drawn from community and industry members with portfolio-based skills. Additional skills (particularly VET and HE knowledge and skills) may be provided by external membership to the board to avoid conflicts of interest from local providers.

The COTEC board, in close consultation with industry, determines the local higher education and training needs and calls tenders from education providers to deliver the course. Tenders are assessed based on several criteria, including:

1. Commitment to a minimum number of face-to-face contact hours (supplemented by best-of-online delivery, university-based intensives and local COTEC delivered tutorials)
2. Quality of educational outcomes
3. Value for money for the student, recognising equity and access issues
4. Mutual benefit and outcome for both partners - the community and the provider

Under contractual arrangements with service providers, the COTEC generally receives a percentage (ie 50%) of each Full-time Student Load (FTSL) payment. No student amenities fees are paid by students.

This percentage of the university's student loading paid to the COTEC is generally offset by a significantly higher student completion rate (ie over 90%). The high level of retention and completion has been attributed to the strong local COTEC student support including tutorials and pastoral care and avoided costs and disruption of student relocation to the capital city.

This community/industry driven approach is substantially different to the traditional model of education delivery, where courses are determined centrally, based on broader statewide or institutional objectives.

Two COTECs are currently operational in Australia – the Geraldton Universities Centre (GUC) in WA and the Cooma Universities Centre (CUC) in NSW. A third COTEC is currently being established in South-East Queensland.

The Upper Spencer COTEC Gulf Higher Education and Research Centre will offer brokering, management and support for regionally based academic and industry education and research activity including:

- Local facilities - study spaces, tutorial rooms, NBN broadband and IT support, computing facilities, student amenities – co-located with TAFE in Pt Pirie, Pt Augusta, Whyalla
- Local tutorial support (local tutors drawn from industry)
- Local school engagement, recruitment, enrolment, student pastoral care
- Local coordination and input into tailored training and short courses with industry and academic partners
- Local support for Higher Degree Research students - including study support, tutor access and industry-embedded placement
- Local support for researcher exchanges and specialist visiting researchers
- Coordination of local industry scholarships
- Facilitating local access to demonstration and pilot research sites
- Facilitate research partnerships between industry and research proponents
- Local connection to regional and Government agencies

Higher education provider partners will provide:

- Course content and quality as contracted
- Delivery of undergraduate and postgraduate courses
- Award of qualifications

- Online development and teaching
- Supervision of Higher Degree Research and PhD students
- Provision of required software and systems access for students and local COTEC staff

The proposal for developing a COTEC for the Upper Spencer Gulf is now at a critical milestone, with five higher education partners working with the Spencer Gulf Cities Association, local 'Industry Leaders Groups' Local Government, Regional Development, Department of Education and Child Development and Department of State Development to prepare applications for funding.

Critical to the success of the Upper Spencer Gulf model will be maintaining a flexible approach to supporting and achieving mutual benefit for the local community and the education provider that will ultimately deliver stronger scientific, technical and professional capacity within the Upper Spencer Gulf that, if not addressed, looms as a major risk to future growth and diversification.

I have attached a copy of the Upper Spencer Gulf COTEC report and a summary of the key issues and outcomes, for your information.

Should you wish to follow up on any of these matters, please feel free to contact me on mobile: 0427609404 or email: ceo@upperspencergulf.com.au.

Yours sincerely



Anita Crisp
Executive Officer

Summary of USG COTEC

Key education and workforce issues and drivers – Why we need a new approach to higher education delivery:

- Lack of technical, professional and scientific capacity within the USG.
- Fly-in, Fly-out research and expertise – no local or lasting capacity generated.
- Significant economic transition – retraining existing workforce.
- Upskilling – lack of locally available VET-uni pathways, postgrad, accreditations.
- Unemployment, underemployment - particularly youth, increase in 457 visas.
- Over 2500 enrolments in USG annually (SATAC). Online completion rates are <20% vs >80% for online + face to face student and tutorial support.
- Educational disparity:
 - Urban degree holders = 31% vs Regional degree holders = 15%
 - Above certificate level qualification = SA average of 23% vs 11% for USG.
- Lack of critical population mass in the USG to sustain traditional university – a new model required.
- Proposed Higher Education Reforms offering opportunity for a new approach through 'Regional Study Hubs' and 'Regional Scholarships' Initiatives.

Our Model – Some principles:

- Largely based on working models in Geraldton/Cooma, but tailored to Upper Spencer Gulf:
- Includes undergraduate, postgraduate, VET and research support
- No duplication of existing local courses
- Co-location with existing facilities
- Tailored to smaller population and tri-city geography
- A presence in each of the three cities – commence in Port Pirie, then Port Augusta
- Opportunity for specialisations across the three cities
- Better local coordination of university interest in the USG
- Leverage existing industry engagement (ie Industry Leaders Groups, industry clusters)
- Service local demand for post-graduate qualifications and professional up-skilling

Outcomes – What we are trying to achieve:

1. Build lasting research/technical capacity in the region
2. Local decision making - what is delivered, how, when, by whom and quality
3. Expand higher education and research offerings delivered in the region
4. Additional 2-5% new students engaged in higher education in the USG
5. Stronger industry/community/provider partnerships
6. More efficient use of resources and avoiding duplication of effort
7. Establish a collaborative physical presence within broader educational precinct
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What the USG COTEC will provide:

- Local facilities - study spaces, tutorial rooms, NBN broadband and IT support, computing facilities, student amenities – co-located with TAFE in Pt Pirie, Pt Augusta, Whyalla
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What the education provider partners will provide:

- Course content and quality as contracted
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- Provision of required software and systems access for students and local COTEC staff