Universities Accord: Addressing the Regional Participation and Attainment Challenges

Richard Speed

Executive Summary

Based on my experience of the challenges of leading regional campuses and seeking to boost regional attainment, I offer these thoughts for the panel's consideration in response to sections 3.5 and 2.6 of the Universities Accord Discussion paper.

I have focused on the failure since the completion of the Bradley Review to grow regional student participation and attainment in step with the growth of the sector, and of other access groups. My contention is that regional campuses are best placed to deliver growth in regional and other access groups, but the system as currently structured and funded does not enable this. My comments focus on addressing problems on the demand side, where markets are thin and many barriers to participation exist, and on the supply side, where the challenging and costly task of regional delivery has primarily been left to the least resourced part of our higher education system. I offer some recommendations that are focused on enabling current resources to be better directed and for incremental investment to be appropriately targeted and co-ordinated.

Specific Recommendations

Removing barriers to participation

The Priority is Growing Access

R1 Government should focus its recognition of universities' contributions on those that bring additional students into the system.

Government should not reward or recognise behaviours that move students within the system and leave the difficult problem of adding to the system to others.

Policy is often focused on only part of the community.

R2 All student support proposals that are focused on a single segment of the commencing cohort (e.g. school leavers entering via ATAR) should be required to explicitly consider other segments (e.g. mature age entry based on TAFE plus work) and include if possible before ministerial support is given.

Students from Access Groups are Diverse and have Different Needs

R3a Including first in family and mature age data as access groups in the national statistics should be a priority.

R3b Adding an access group for carers identifies a group facing particular constraints.

R3c Intersectionality in access group membership should be captured and reported.

Students Require Support to Study

R4 Government should rapidly review those recommendations addressing the non-fee costs of education in the Halsey and Napthine reviews and include them in the Accord process.

R5a Co-ordination is required across governments on the use of HELP waivers, understanding their likely impact.

R5b In considering waivers, ensure that local skills development receives at least the same priority as relocation of existing professionals.

R5c Government to fund research to understand the comparative impact of investment to lift placement capacity, to reduce cost to universities, to pay students for placements or to reduce HELP debts, and that understanding needs to drive consistent decision making by all levels of government.

Government as Placement Provider

R6 Government (and those it funds to deliver) to act as a model employer to co-design delivery models that combine work and study through relevant and integrated employment (degree apprenticeships, RUSONs etc).

The Allocation of IRLSAF Does Not Align to Needs or Costs

R7a A review of the actual costs of student support, building aspiration and outreach, community engagement and school support should be undertaken to inform future budget.

R7b Capturing intersectionalities more fully would enable support IRLSAF funding for access group students to be directed where most needed.

R7c The funding models for outreach funding for a regional campus should be based on the need in the community, not composition of the institution's student body.

R7d Since all regional campuses face additional costs of delivery in regional areas, a funding model reflecting the fixed cost nature of many campus activities would improve the distribution of resources.

Government to Lead as Regulator

R8a Government to work with regulators and accreditation bodies to ensure regulation is not an inappropriate block on innovation to deliver the required regional skills, and to minimise barriers to better integration of TAFE and HE arising from regulation.

R8b Government to ensure maximum appropriate credit for prior learning is granted as a priority in regulation, and facilitation of external appeals of accreditation decisions.

R8c Government to introduce an adapted regulatory model for programs focused on access and attainment in equity groups, and supported by community stakeholder partnerships.

Ensuring Capacity and Scale to Deliver Locally

Government as Funder

System-wide Investment: R9 Reinstatement of something similar to the Education Infrastructure Fund focused on supporting investments that enable equity and access, particularly in regions with low levels of participation.

Focused by Field: R10 Adapt and extend the University Department of Rural Health and the Rural Health Multidisciplinary Training (RHMT) approach to support regional delivery of needed professionals in other sectors, particularly education, legal practice, engineering, software and information technology, and business/accounting.

Minimum contribution: R11 Make a standard ongoing allocation of Destination Australia scholarships for campuses who can demonstrate successful use and impact (with the option to compete for more).

Confirming the continuation of a higher regional post study work entitlement is important to maintain this growth.

Government to Lead as an Employer

R12 Raising the qualification levels of regionally employed public sector employees to the level of their metropolitan peers through a tertiary education support plan would catalyse growth of regional higher education capacity.

R13 Government to facilitate regional syndicates of employers to upskill their employees and generate additional scale.

Government to lead our federal system.

R14a Government-led co-ordination of investment in post-school education support facilities –campuses, centres, TAFE facilities.

R14b Integrating University Centre planning with TAFE and university investments and better leveraging existing investments in regional communities offers an opportunity to build scale where needed.

R15 Establishing a genuinely National university operating regionally across all states and territories, with specialist nodes in a networked model similar to an American state university system. The model can potentially take advantage of different provider categories and third party arrangements, including partnering with TAFEs.

Introduction

I have been a senior leader in universities for over 17 years and am very much a regional specialist. I led La Trobe University's regional strategy and operations since 2013 and left that role at the start of this year. I am a marketing academic by background, and I believe that it is by meeting the needs of their market that institutions receive their reputation and licence to operate, and the funds and margins they need to invest and succeed.

La Trobe is metro headquartered but with 20-25% of the university being located on four regional campuses and over 26% of students of regional/remote origin. In my time leading them, enrolments at the La Trobe regional campuses have grown, and the mix has changed from mostly on campus to a mix of on campus and flexible delivery supported by the campus. My team developed several innovative programs including a sector-leading 'dual enrolment' model with partner TAFE institutions, best in class enabling programs in two communities that raised participation of the local cohort to equivalent to that of inner Eastern Melbourne and secured significant philanthropic support, and a strategy that has taken international enrolments at the Bendigo campus from under 1% of total international load to 10% even during border closures.

In a personal capacity, and based on this very practical experience of the challenges of boosting regional attainment, I offer the following thoughts.

Background

The failure of our higher education system to deliver attainment, skills and community success to underrepresented groups is a failure of policy Minister Clare was right to highlight at the start of his tenure and through the establishment of the Universities Accord.

As the Universities Accord Discussion paper highlights in section 3, this failure has been particularly evident when looking at regional and remote students. Participation and attainment rates in higher education in regional Australia are lower than metropolitan equivalents. This difference is significant (50-70% lower) and persistent (figure 5 of the discussion paper, also Napthine Review part 1). Indeed, Universities Australia highlighted that DESE data showed between 2008 and 2020 enrolments of students from regional and remote areas declined by 0.4 of a percentage point, from 19.6 per cent to 19.2 per cent of the national student cohort (Department of Education, Skills and Employment 2022, Selected Higher Education Statistics – 2020 Student Data, Appendix B–Equity Groups).

Although census data shows a rise in the number of regional participants in higher education over time, this rise is simply consistent with national increases in attainment (and hence regional students have fallen as a percentage of the total cohort), and means the gap is only closing slowly, if at all. In comparison other Bradley access groups grew significantly as a percentage of the total. If metro participation growth ceased, and regional participation continued to grow at current rates, the gap would take 20-30 years to close.

The overall growth of the system facilitated by the demand driven approach from 2009-18 did not benefit regional students and communities to the same extent as other communities, suggesting that setting targets for the university sector and expecting

universities to use their own resources to deliver the uplifts in attainment and community benefit has not worked.

In responding to this data, I am going to focus on the importance of Australia's regional campuses. Australia's regional campuses have higher concentrations of students drawn from Bradley access groups. Not just because of the concentration of students of regional origin on these campuses, but because many have intersectionality and are also members of at least one additional access group. Regional students are also more likely to be older than their metro counterparts, so come to study with children and associated responsibilities. Regional postcodes are more likely to be low SES. Studying locally presents the most accessible option for this cohort. There is strong evidence that students who are trained in a region tend to stay in regional communities. La Trobe's overall local employment rates reached over 87% in Mildura and even higher in disciplines like nursing or teaching. Enabling the growth of regional campuses, and the skills available to communities they serve, is likely to be one of the most effective routes to raising overall participation by access groups.

There are a number of systemic issues impeding the growth of regional campuses and the success of regional students and their communities. We are currently asking the least resourced part of our higher education system to undertake one of the most challenging and costly tasks. Considering how imaginative Government intervention and leadership can address these issues would be a sensible area of focus for the Universities Accord panel.

Demand

Regional campuses operate in environments where participation is lower, and where markets are thin. For most courses, the issue is participation and recruitment, not selection. In high status courses at regional campuses, such as physiotherapy, the number of suitably qualified applications are the limit on class size. In a city location, similar courses are likely to be over subscribed. The demand side of the market is not the same as in metropolitan communities.

University participation is lower, with a smaller proportion of regional school leavers leaving school with the aspiration or entry qualifications to continue to higher education. Numerous studies, and particularly the Halsey and Napthine reviews, have documented the diverse factors that influence this. Increasing the number of school leavers proceeding to higher education is a clear priority, but so is upskilling those who did not continue to higher education from year 12. Around 29% of 25-39 year olds living outside capital cities have undergraduate degrees, within capital cities it is 50% (ABS Census data 2021). That difference is 282,000 people in our regional communities with lower skill levels than their capital city peers. Over 540,000 25-39 year old regional residents (40.5% of the cohort) hold a non-university qualification at AQF 3-6 but no degree.

Bringing those who have missed out on higher education and the opportunities it can deliver back into the system requires focused and purposeful work by universities and TAFEs, government, accrediting bodies and employers. This must be focused on maximising

benefits to both the individual and their community, with institutional self-interest set aside.

Attainment in regional higher education is also different in regional communities compared to metropolitan equivalents. Regional campuses have shown across the country their ability to partner with local healthcare, education, and community care sectors to deliver career entry registered nurses, midwives, primary and early childhood teachers, and social workers recruited from their local communities and committed to remaining in and serving the local community. A significantly lower proportion (compared with metro) of these students come to higher education directly from school, many coming from earlier study at TAFE. In these programs growth is still required, but clinical and professional placements and accreditation-imposed intake limits are the main constraints on growth. I comment on the impact of additional federal government funding committed to rural health below.

Regional campuses have had more difficulty in delivering graduates into professions where higher education requires high levels of capital investment (engineering), where class size is regulated by government (medical pathways, dentistry), where specialist teaching capacity is scarce (dentistry, allied health), where there are significant pre-requisites that not all students can achieve, and in many cases where there are combinations of these barriers. This is, I suggest, an issue of resourcing and incentives to invest.

To boost regional attainment and deliver the required skills into the community increasing both the number of school leavers and the number of non-school leavers in higher education is essential. To boost the skills available to the community educating community members locally and avoiding a brain drain to the cities is a priority.

Supply

At the same time, scale and cost issues have been identified that mean the economics on the supply side are also disadvantageous.   Regional campuses do not generate surpluses that city campuses can, they lack the resources they need to grow, and parent institutions have lower incentives to invest in them. Resources are not evenly spread across the university system, and regional campuses and their universities tend to be amongst those with the lowest levels of surplus and reserves.

Some of those universities with the most significant surpluses also have regional campuses and run important regional activities. A good example is the work done by University of Melbourne in Shepparton – but this tends to be the exception. The dominant strategy used by these well-resourced institutions to increase their access group representation is by offering scholarships and access schemes that redirect high achieving regional school leavers from another university to metropolitan campuses. These strategies do not grow total participation of regional students, risk removing talent from a community not to return, and do not serve regional students who do not have the option of relocating.

The need to invest, like for like, is higher on regional campuses. Deloitte Access Economics' study of the costs of delivery of higher education for Department of Education of Training concluded (Cost of delivery of higher education Dec 2016) that "the proportion of regional

students (on a campus) is associated with higher average costs, even after controlling for scale" That study cannot distinguish whether this effect is due to regional students being more expensive to teach wherever they choose to study or whether it is due to regional campuses having higher underlying costs independently of other cost drivers, however it is clear that both smaller scale and higher proportion of regional students place regional campuses at a cost disadvantage.

The impact of scale can be seen directly in data on course offerings and enrolment numbers. The biggest campus at the University of the Sunshine Coast has 12700 students, Monash's Clayton is almost four times bigger at 44000 on campus. Although the Clayton campus offers around 50% more courses than the Sunshine Coast campus, the difference in scale means the Clayton average course enrolment is more than double, whilst direct costs will be much more similar.

Lack of scale affects decisions about course provision. Universities invest their current margins to develop future courses. They recover that investment from the returns made on those future courses. If those future courses are unprofitable, or cannot be delivered that investment is lost. Lack of scale adversely impacts profitability and increases risk of failure.

Given the choice between investing to develop regional or metro offerings, universities have a disincentive to invest in regional offerings. When considering only regional investments, universities are likely to under invest compared to institutions only considering metropolitan markets. The tendency for regionally headquartered universities to invest in CBD campuses in Sydney, Melbourne or Brisbane suggests they are searching for higher margins through increased international attractiveness and a presence in larger markets.

Addressing these two underlying factors, the thinness and diversity of demand and need, and the poor incentives, lack of scale and adverse economics of supply need to be central to any solutions proposed to increase regional participation and through that participation of all access groups. In the next section I outline some ideas following these principles.

Challenge #1: Demand Side - Removing barriers to participation.

Participation and attainment will only rise if additional students are brought into the system. Whilst increasing the diversity of students at individual institutions that currently have lower access group participation is a valuable thing for the experience of all their students, the Government's primary goal must be adding students who do not currently participate to the system. **Government should focus its recognition of universities' contributions on those that bring additional students into the system. Government should not reward behaviours that move students within the system and leave the difficult problem of adding to the system to others (R1).**

Identifying Access Groups

School leaver and non-school leaver segments are distinct and face different barriers to participation in higher education. Too often education policies are developed with a focus on school leavers only, leading to minimal impact on non-school leaver participation. For

instance, several regional scholarship and support schemes explicitly target year 12 completers with no equivalent mechanism for those seeking to enter higher education through another route. **All student support proposals that are focused on a single segment of the commencing cohort should be required to explicitly consider other segments and include if possible before ministerial support is given (R2)**.

The current access groups are limited in their scope. **Including first in family and mature age data in the national statistics should be a priority (R3a).** Both characteristics impact on the nature of the support students are likely to require. An access cohort that has few first in family and mature age students is likely to be considerably cheaper to support than one with many. First in family students are less likely to have advice on application and study from their personal networks, and be more reliant on school and university provision of advice.

Mature age students are more likely to have financial or caring responsibilities, which impacts the mode of study that suits their needs, and their ability to move to study. At present mature age is something of a proxy for being a carer, and **adding an access group for carers (R3b)** would identify this group directly.

Capturing intersectionality in access group membership (R3c) would also be an important improvement. Many students on regional campuses are not only of regional or remote origin, but are also members of one or more additional equity group. Intersectionality drives up complexity of need.

Costs to Students and Families

Addressing the non-fee costs of education was a strong theme in the Halsey and Napthine reviews. Many of the recommendations of those reviews were yet to be or had just been implemented when Covid struck, and to some extent they remain untried. **Government should rapidly review those recommendations and include them in the Accord process (R4).**

All regional students are impacted by the greater distances involved travelling to campus and to placements and by the comparative lack of public transport in our regional communities. Longer travel times reduce the student's available work hours, and no effective public transports drives up direct costs of attending.

Because mature age students commence their higher education at a later age, they are more likely to have reached a life stage with have family and employment commitments. Census data suggests regional students are three times more likely to be a parent than their metro equivalents. Advising potential students from non-school leaver backgrounds is a process based on individual needs and circumstances. It is more complex, and slower.

Being older and having family responsibilities mean the financial impact of study is greater. This is primarily through foregone income, but there is some evidence that concern over HELP debts is greater in regional communities. For example, the Victorian Government commitment to refund HELP debts for nursing students prompted a significant jump of inquiries to La Trobe's regional campuses from non-school leavers, suggesting that some

saw the removal of HELP debt as the removal of a barrier. A few governments have begun to use HELP debt waivers and guaranteed employment as a mechanism to shift the location of degree holders or to encourage entry into particular training pathways. In the case of register nursing, the constraint on the numbers training has little to do with demand, and more to do with clinical placement capacity. Since, as noted, these strategies have some short-term impact, **co-ordination across governments of the use of HELP waivers, understanding their likely impact, and ensuring that local skills development receives at least the same priority as relocation of existing professionals seems a better strategy for the long term (R5a-b).**

Governments, Commonwealth and States, are the employers of potential graduates, but also partners in the delivery of clinical and professional placements in many sectors. Governments and their agencies currently charge universities to provide a constrained number of unpaid placements to students, whilst offering HELP repayments as an incentive to the student. **Decision making in the space requires an understanding the comparative impact of investment to lift placement capacity, to reduce cost to universities, to pay students for placements or to reduce HELP debts, and that understanding needs to drive consistent decision making by all levels of government. The Commonwealth Government is best placed to lead that research (R5c).**

Government as Placement Provider

To overcome the problem of foregone earnings, a major barrier to study particularly for mature age students, government and the agencies it funds should co-design with universities degree delivery models that combine work and study through directly employing students as part of their degree in public sector jobs. **Government can act as a model employer to combine work and study through relevant and integrated employment (R6).** Models such as degree apprenticeships (all sectors), RUSON (nursing), educational paraprofessional and Permission to Teach (teaching), present opportunities for students to study, work in the sector of their choice, combine study and earning to minimise foregone earnings and minimise time to completion. This could incorporate paid placement opportunities. Government and its agencies are the key employers in many sectors, and can act as a model for sectors where they are not.

Support Funding

Distribution of Higher Education Participation and Partnership Program (HEPPP), Regional Loading and its successor (the Indigenous, Regional and Low SES Attainment Fund IRLSAF) funding is notionally based on enrolled numbers from access groups.

Given the importance of support to attracting underrepresented groups into higher education **a review of the actual costs of student support, building aspiration and outreach, community engagement and school support should be undertaken to inform future budget (R7a).** This would be equivalent to the Cost of Delivery of Higher Education report of Dec 2016 but focused on equity and access issues.

HEPPP funds are to support the aspiration and participation of "persons from a low SES background, persons from regional areas and remote areas, and Indigenous persons, and to support students from those backgrounds to succeed at university."

HEPPP funding is based on an allocation from a fixed pool of funds. Fixed funding pools necessarily mean that an increase in the number of eligible recipients means a decrease in resources per head, regardless of the actual cost of and need for support.

The allocation of HEPPP funding is based on the proportion of the national total of each of three groups (low SES, regional, Indigenous) a university enrols. However the need for support funding arises from the number of access group students, compounded by the complexity of their needs. Intersectionality will drive up that complexity.

Universities and campuses with higher levels of intersectionality amongst access group students are required to deal with more complex needs and provide a higher level of support to such students.

Under the funding formula a university receives additional funds if a student is low SES AND regional AND Indigenous, but other intersectionalities are not captured (e.g. first in family AND low SES).

R7b More fully capturing intersectionalities would enable support funding for access group students to be directed where needs are likely to be greatest.

Currently the funding model provides a total amount to universities, on the basis described above, that is to be used to both support students and for outreach to drive up aspiration and participation. This has potential issues. Universities with participation from access groups where needs are highly complex are likely to devote a higher proportion of this funding to support. However, they are also likely to be working in communities where the outreach challenge is also going to be significantly more complex than average.

Conversely, universities dealing with less complex needs, have lower demands on this funding for support of students and can direct a higher proportion to outreach activity. This higher level of spending on outreach versus support was explicitly noted by the Group of Eight in their submission to the Napthine review (submission 36).

The need for outreach is not a function of the student body but of the community the campus serves. Funding for outreach should not follow enrolled student numbers but be concentrated where potential students are not participating. **The funding models for outreach funding should be based on the need in the community, with outreach delivered through the local campus with appropriate performance objectives (R7c).** This approach more appropriately resources the campuses best placed to engage with the local population to do so on behalf of the sector, and ends trade-off between student support and future student engagement.

A final element of support funding is the regional loading, which has also been succeeded by IRLSAF, but with no announced change to its allocation mechanism. The regional loading exists to assist universities who provide services in regional areas in recognition of the

additional costs of delivery in these areas. Many of those services, outreach and awareness building, community support, schools support are essentially fixed costs. They are something campuses must do for their community. However the regional loading is allocated based on enrolled equivalent full time load, as if these costs varied with the number of students to serve. Perhaps more bizarrely, a significant proportion regional load funding (28% based on answer to Commonwealth Grants Scheme (Question No. 775) 16 October 2017) is allocated to regionally headquartered institutions on the basis of their external load i.e. for work that is done with students primarily located away from their campus and community.

The result is a funding model that makes additional support available to some regional campuses but not others on the basis of the location of their head office. This is a perverse and suboptimal outcome. **Since all regional campuses face additional costs of delivery in regional areas, a funding model reflecting the fixed cost nature of many campus activities would improve the distribution of resources (R7d).**

Government as ultimate regulator

In maximising integration between the higher education and TAFE sectors government needs to ensure the full recognition of prior study at AQF 4 or higher undertaken by those entering higher education from VET, for instance TAFE certificate and diploma holders, and enable to co-design of VET programs within training packages to support maximum credit. **Government to work with regulators and accreditation bodies to ensure regulation is not an inappropriate block on innovation to deliver the required regional skills, and to minimise barriers to better integration of TAFE and HE arising from regulation (R8a).**

For instance, the AQF + 1 rule means that when a TAFE teaches a Diploma at AQF 5, the teachers are required to be qualified at AQF 6 or higher. However, when that diploma is included in a nested program leading to a degree, TQSA guidance becomes less clear. A blanket requirement that "teaching staff in higher education must be qualified with at least a bachelor degree relevant to their teaching" means TAFE staff qualified to teach on the diploma as a free standing program are not necessarily qualified to teach the same material in a nested program. Recruiting additional staff in an area of skills shortage is a barrier to delivery.

In accrediting nested programs TEQSA also states its concern that "excessive or inappropriate award of credit for prior learning that compromises the integrity of the course". That is perfectly appropriate, but there is no complimentary commitment to ensure the maximum appropriate credit for prior learning is actually granted. **Government can seek to ensure maximum appropriate credit for prior learning is granted by regulating and accrediting bodies (R8b).**

Recent experience has seen maximum credit for VET Nursing diplomas limited to one year, regardless of the amount of credit-worthy content in the diploma. That lead some diploma students to receive 6 months less credit than their predecessors studying the same material in the same diploma. Denying maximum credit slows down student progress and adds to their costs. Credit provision often forms part of the professional accreditation of courses, and **government engagement with professional bodies to encourage maximum legitimate**

credit would be important, including facilitating external appeals of accreditation decisions (R8b).

To facilitate an increase in innovative programs designed to drive up access and attainment in equity groups, the **government could introduce an adapted regulatory model for programs focused on access and attainment in equity groups, and supported by community stakeholder partnerships (R8c)**. Such an adapted regulatory model could lean towards simple initial approval, early review of actual performance and rapid remediation of any problems identified. Principles for initial approval might include prior success of participating institutions in delivering in the discipline at that AQF level, local community partnerships to deliver professional experiences, existence of appropriately adaptable resources (physical, educational, human), an agreed schedule of identified risks and agreed program of monitoring and disclosure shared by the institutions and the regulator.

Challenge #2: Supply Side - Ensuring Capacity and Scale to Deliver Locally

As noted above, the scale of regional higher education delivery is a barrier to investment and program sustainability. The problem of scale is compounded by the higher underlying cost level, potentially arising from the diversity and complexity of the student cohort, identified in the Deloitte Access Economics study. Additional investment to overcome these cost barriers is essential.

Below I identify some potential approaches where the Government might assist in developing scale either directly as a funder, but also indirectly as an employer, as the ultimate regulator and the leader of our federal system. All investment by government should be co-ordinated at different levels of government, be informed by existing infrastructure, with decision making transparent, evidence and needs based.

<u>Government as Funder</u>

System-wide Investment

As the last system-wide approach to funding higher education infrastructure (the Education Infrastructure Fund) was being wound back, the Higher Education Infrastructure Working Group (2015) final report noted the disadvantageous economic position of regional institutions when seeking to fund infrastructure for both research and teaching and learning. The working group noted that this was not just about economies of scale, but also that regionality was associated with higher than average low socioeconomic status (SES) enrolments and lower than average full fee paying student enrolments, making generating surplus cash flows and securing borrowings more difficult.

This is a systemic issue and is effectively a market failure that stems from the failure to capture the public benefits of increased skills and attainment in regional communities. There is a role for Government in providing assistance to overcome these issues, either in the form of grants that can be further leveraged, or through support for borrowing aggregation, both of which were noted by the working group. Making available both investment in infrastructure and support for program set up costs reduces the risks of regional investment noted above that are a barrier to delivery.

One option open to Government is **a reinstatement of something like the Education Infrastructure Fund, on a more focused basis, with a focus on investments that enable equity and access, particularly in regions with low levels of participation (R9).** Co-ordinated, evidence based support better shares the risk in delivering regional higher education between the campuses and the Government, and removes the current need for support for regional campuses to be shoehorned into regional and community development funding initiatives where there is often a poor fit with guidelines.

Focused by Field

A less wholistic approach is to focus incremental investment to increase regional participation and deliver high level skills in particular fields of education. Such an approach has already been recognised and resourced in one sector of high education by the Australian Government, and appears to work well.

The University Department of Rural Health and the Rural Health Multidisciplinary Training (RHMT) program in which it sits seek to improve the recruitment and retention of medical, nursing, dental and allied health professionals in rural and remote Australia, recognising that those from a rural background, and those who undertake extended training in a rural area, are more likely to take up rural practice upon graduation. The same high level professional skills shortages exist in rural and remote Australia in education, legal practice, engineering, software and information technology, and business.

The UDRH program delivers additional resources to facilitate placements, investment in facilities, accommodation support for placements, enable First Nations partnerships and deliver end-to-end training in rural and remote locations. Support for delivery of end-to-end training significantly reduces the disincentive to develop new regional course offerings. This is a mix of operational and capital funding. Given the barriers to commencing and completing a health degree are similar to completing other degrees with professional outcomes, then investments similar to these in other sectors would have similar benefits and outcomes.

The University Department of Rural Health and the Rural Health Multidisciplinary Training (RHMT) program approach can be adapted and extended to support regional delivery of needed professionals in other sectors, particularly education, legal practice, engineering, software and information technology, and business/accounting (R10).

Minimum contribution

An absolute minimum contribution is to support regional campuses to access higher margin income streams. The Higher Education Infrastructure Working Group (2015) final report noted that less access to full fee students was a funding disadvantage for regional campuses.

During over Covid and the associated border closures the role of international students in generating scale and margin within the higher education sector has. One set of Government policies, introduced in late 2019, have a direct, beneficial impact on regional campuses. The

combination of Destination Australia scholarships and extended post study work rights for regional graduates who stay to work in the regions has had a significant impact the location of international enrolments. International enrolments at La Trobe's Bendigo campus and did so even during border closures as students already onshore chose to commence their studies in Bendigo. Securing a higher proportion of the international student load in the regions delivers scale and increased diversity to the campuses. **Government could make a standard ongoing allocation of Destination Australia scholarships for campuses who can demonstrate successful use and impact (with the option to compete for more). Confirming the continuation of a higher regional post study work entitlement is important to maintain this growth (R11).** There is scope to include additional courses in the skills based extended work rights based on regional skills shortages (as opposed to national) for graduates from regional campuses.

Government as Employer

2021 Census data records roughly 2m people are employed in the Australian public sector, around half a million by the national government. Educational attainment levels in public sector workforces are lower for staff based regionally than those in capital cities. At all levels of Government about 62% of metro employees have a bachelors degree or higher, compare to 48% regionally employed. **A tertiary education support plan for regionally employed public sector employees would catalyse growth of regional higher education capacity (R12).**

An intervention to close this gap would support around 18,000 regional Commonwealth employees to upskill, potentially 80,000 across all levels of government. Even a partial investment in this uplift in the regions would underwrite numerous programs at regional campuses, drive up scale and ensure the sustainability of programs giving opportunities for individuals and private sector employers. To ensure the employment impact of this grow impacts regional communities, programs should be required to be on campus and blended/on campus delivered at regional locations (fully online excluded).

In sectors where there is less public sector employment, e.g. manufacturing or commerce, **Government could facilitate regional syndicates of employers to upskill their employees and generate additional scale (R13).**

Government as the leader of our federal system

Currently post-18 education is delivered face to face and hybrid delivery supported by a network of campuses, facilities, and centres, all owned, funded and managed separately. As noted, most of these facilities are operating at much lower levels of scale than their metropolitan equivalents, regardless of sector. **There are opportunities better targeting this investment through government-led co-ordination (R14)**.

University campuses are owned by the institutions, funded by the university for both operational and capital spending, and managed through the institution's strategy and governance mechanisms. Any government funding for specific local activities or capital development is on a project basis.

TAFEs have a mix of facilities that are owned or leased, normally owned by the state government. Funding is from the institution and the state government, and some of this will be specific project funding. La Trobe University has partnered with a TAFE to invest in facility at a new location.

The Regional University Centres initiative is funded by the Australian Government, with local governments and their communities seeking funding for their region.

Whilst any investment to enable regional participation and attainment to rise is welcome, it is notable that there is little to no co-ordination of investment between these alternative programs. There are Regional University Centres in the same community as TAFE campuses, in one case in the same street. Centres have been established less than a one hour drive from university campuses.   State Governments are investing in TAFE facilities entirely independently of Federal investment in Regional University Centres.

All regional providers have high speed internet access, quiet study spaces, provide flexible access and have teams to deliver learning and pastoral support. In many cases those teams are smaller than they could be because scale makes additional investment hard to justify. **Integrating University Centre planning with TAFE and university investments and better leveraging existing investments in regional communities offers an opportunity to build scale where needed (R14b).**

Rather than attempt to co-ordinate across institutions with a diversity of strategies and priorities, an alternative approach is to increase co-ordination by bring the activity within a single entity. Integrating regional resources across all states into a single Commonwealth-led institution enables investment and accountability to be focused. It can also simplify state based variations in post 18 education and TAFE policy that are a particular problem in border regions. An overall mission to deliver high quality education and choice to students in regional communities, to deliver skills to regional communities, and to do so in the same concentration as currently occurs in our capital cities within 15 years delivers strategic focus. **Establishing a genuinely National university operating regionally across all states and territories, with specialist nodes with a local focus similar to an American state university system. Such a model can potentially take advantage of different provider categories and third party arrangements, including partnering with TAFEs, in an integrated system (R15).** The benefit to Government is responsibility is concentrated in a single dedicated entity, and transaction and co-ordination costs are dramatically reduced. Considerable work would be required to design the model, footprint and scope but merger discussions underway in two states suggest the structure of our universities is not necessarily optional.

In designing such an institution/system there is the opportunity to examine;

- Should all non-metro campuses be part of a regional system or just some? On what basis might campuses be selected or invited to join?
- How might campus ownership and legislative responsibility change? Would a Commonwealth owned or federated model work best?

- How to balance teaching and research intensity and how this could vary by location. Small sites could focus on flexible delivery and student support, through to larger or specialised sites operating as full research and teaching campuses. Are there other approaches?
- How can best use be made of different provider categories and third party delivery within a single system to align campus priorities with community needs?
- How can integration with the VET system be optimised, with guaranteed transfer in place in a similar way to the pathways between 2 and 4 year colleges in a US state system, and integration of VET and HE qualifications to deliver optimum employment outcomes?
- Can the reputational and ranking weight of this model be ensured by including the current Australian National University as a flagship node in the system?

A National university system, focused on regional delivery, well designed and resourced, offers the Government an opportunity to focus and concentrate investment, and step away from approaches to regional attainment that have been the obvious failure to deliver on the legacy of Professor Denise Bradley and her team.

Conclusion

I am happy to elaborate on any of the points made here, and wish the panel all success.

Professor Richard Speed

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