

MORE FUNDING FOR REGIONAL HIGHER EDUCATION

The importance of regional higher education

Access, equity and quality

- Australian universities serve over 176,000 students.
- University participation rates in regional Australia are on average less than two-thirds those of metropolitan areas (18% compared with 28%).
 - Regional participation rates in Australia are lower than national rates in countries such as Argentina (21.4), Korea (21.9) and Israel (19.5) and about the same as in Uruguay (18.1)^(a).
- Regional universities address major shortfalls in educational attainment in the working age population.
 - The percentage of young people in inland regional locations who have completed Year 12 secondary school is about half that for metropolitan areas.
 - The percentage of working aged with bachelors degrees in regional areas is also about half that for metropolitan areas.
- Without regional campuses students would either be denied a university education or be forced to travel to a major city. The latter is particularly problematic at present given the economic hardships faced by many in regional areas due to the drought.
- Regional campuses have proportionally higher numbers of Indigenous students.
- The socio-economic status (SES) profiles of students at regional campuses are lower on average than their metropolitan counterparts^(b).
- Universities continue to provide quality education services in regional areas notwithstanding the additional costs.

Economic impact

- Regional universities and campuses are major drivers of local economies. They contribute over \$2 billion to regional output^(c). Local impacts are significant, for example:
 - Within the broader Central Highlands and Wimmera region, the University of Ballarat contributes \$511 million dollars annually to this region's economy and 3150 full-time jobs.
 - The University of Southern Queensland adds over \$325m to the regional economies of the Darling Downs and Fraser Coast (and was responsible for 10% of employment in Toowoomba alone in 1995).
 - Southern Cross University contributes \$270m annually to the regional economy and 2500 jobs.
 - University of New England contributes \$280m annually to the local economy, directly and through multipliers, representing 32% of the local economy. One third of the local population is accounted for by students and the direct and indirect workforce that supports the University.
 - La Trobe's Bendigo campus generates \$148M in output and 1169 jobs and value adds \$91M to the local economy.

- Monash University's Gippsland campus generates an estimated \$346m of economic benefit for the region and directly creates 2054 jobs for the local region.
- Regional universities and campuses are major suppliers of skills in desperate need locally.
 - For example over the last ten years La Trobe's regional campuses have graduated 5000 teachers and 2400 nurses; Monash Gippsland has graduated 2186 teachers and 3367 nurses; Central Queensland University has graduated 2800 teachers, nearly 1000 nurses, over 500 engineers and more than 600 accountants and UNE has graduated 7015 teachers and 1130 nurses. Over the last 4 years University of Southern Queensland graduated 3100 teachers and 1116 nurses.
 - Regional graduates are more likely than metropolitan graduates to work in regional areas. Regional workforce participation rates of graduates are as high as 97% for some regional campuses(d).
 - Retention and attraction of young people to regional areas adds to the viability of rural towns. Students in the 18-24 age-group are a major source of part time and casual labour for regional employers.

Research

- Regional universities make a major contribution to researching and solving problems in regional Australia ranging from water quality, plant genetics, livestock and other agriculture, bio-diversity and environmental changes, to regional health and delivery.

Social Impact

- Regional universities and campuses play a major role in the social fabric of nearly 100 regional cities and towns in Australia.
 - Without regional provision all of these cities and towns would lose large numbers of 18 and 19 year olds to the major cities.
 - Regional campuses are major contributors to the cultural fabric of regional communities, with many sponsoring local events and festivals.
 - Staff from regional universities are members/directors of a range of advisory boards and companies, thereby adding to the cultural and economic capital of the regions.

Costs of Regional Provision

- Regional higher education is costly due to the relatively small scale of most university regional operations and the substantial distances for staff to travel.
 - Regional student/staff ratios can be half those of metropolitan campuses(e).
 - A number of regional campuses are over 600km from their headquarter campus.
- There is a much smaller pool of expertise available for casual academic appointments, placing much more reliance on career-track continuing employment, at higher cost and lower flexibility.

- Regional campuses face additional costs compared to their city counterparts when it comes to building construction costs. Monash University Gippsland Campus, with the advice from its architects and quantity surveyors, adds on a 15% regional loading above Melbourne construction costs.
- Costs of teaching involving clinical and practicum placements are high because the locations of placements are dispersed over a wide area.
- It is becoming increasingly necessary to deploy costly support infrastructure in multiple locations for distance and flexible learning programs.
- Universities shoulder most of the additional costs for regional provision.
 - the sector receives a regional loading from the Commonwealth which for most regional campuses represents a 5% increase in funding
 - the actual additional costs are on average between 25% and 100% depending on campus size(f).

What Australia's university with regional operations need

- The additional costs of regional provision can be ameliorated to some extent through more effective partnerships with TAFEs, more efficient use of resources and more effective use of technology.
 - Universities are prepared to work with the government of the day to find innovative ways to reduce the costs of regional provision while at the same time maintaining and building on the quality of provision.
- However, there is a need for the government to acknowledge properly the cost of regional provision and its significance as a public good.
This should be reflected in an increase in the regional loading fund from \$28M to \$280M.

(a) OECD, year of reference 2000.

(b) For example at Monash University in 2005, 29% of Australian students who enrolled at the Gippsland campus were from a low SES background - compared to 10% at Clayton. Comparable figures at University of the Sunshine Coast, Central Queensland University and University of Southern Queensland are 43%, 42% and 29%.

(c) Centre for International Economics, 1997

(d) Graduate Destination Survey.

(e) For example, La Trobe University's average student/staff ratio is 20 but only 10.3 for civil engineering at Bendigo; 9.8 for environment and management at Wodonga; and 9.8 for computer science/engineering at Bendigo.

(f) William Buck Pty Ltd verified La Trobe University estimates of 50% additional costs per student for the University's regional operations overall.

A DEST study conducted by KPMG in 2003 identified the cost of university delivery for Charles Darwin University at 60% above the national average at the University's Darwin campus. Activity-based costing has further shown that costs of delivery at Alice Springs are almost double this level.

The University of Ballarat estimates that regional costs could be 30% to 35% higher than metropolitan.

Deakin University estimates that it subsidises its Warrnambool Campus by \$9M. In 2007 Monash University will subsidize its Gippsland Campus by \$3.4million.

ACU estimates that the cost of duplicated support services and physical and IT infrastructure are 25% of total campus costs at the University's Aquinas campus in Ballarat.