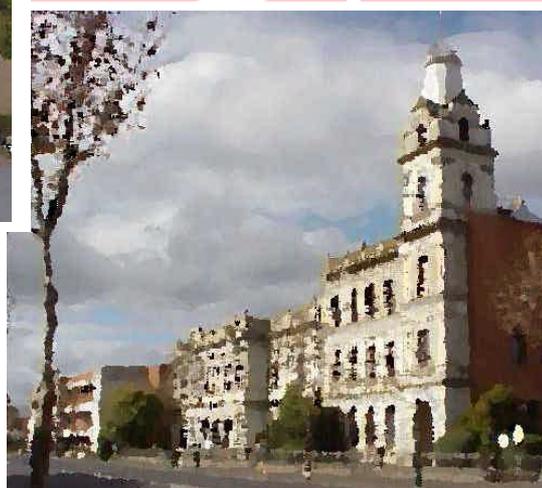


Submission

to

Senate Employment, Workplace Relations and Education References Committee



Inquiry into higher education funding and regulatory legislation

Submitted by:

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Senate Employment, Workplace Relations and Education References Committee

Inquiry into higher education funding and regulatory legislation.

Terms of reference:

1. The principles of the Government's higher education package.
2. The effect of these proposals upon sustainability, quality, equity and diversity in teaching and research at universities, with particular reference to:
 - The financial impact on students, including merit selection, income support and international comparisons,
 - The financial impact on universities, including the impact of the Commonwealth Grants Scheme, the differential impact of fee deregulation, the expansion of full fee places and comparable international levels of government investment, and
 - The provision of fully funded university places, including provision for labour market needs, skill shortages and regional equity, and the impact of the 'learning entitlement'.
3. The implications of such proposals on the sustainability of research and research training in public research agencies.
4. The effect of this package on the relationship between the Commonwealth, the States and universities, including issues of institutional autonomy, governance, academic freedom and industrial relations.
5. Alternative policy and funding options for the higher education and public research sectors.

Preamble:

I commence by expressing my appreciation for the opportunity to provide a submission to this enquiry. There has been concern by the wider community for some time regarding the future of Australian Universities and how they are funded. This submission concentrates concerns on the impact of the Howard Governments reforms on Regional Universities, in particular La Trobe University's Bendigo Faculty for Regional Development, and Government reductions in the VET sector and the impact on the Bendigo Regional Institute of TAFE.

Those concerns include:

- Access and equity for all students
- The on-going economic importance of Regional Universities and TAFE facilities.
- The proposed changes to current funding schemes.

The terms of reference for the Inquiry included the following parameter:

(4.) The effect of this package (the Government's reforms) on the relationship between the Commonwealth, the States and universities, including issues of institutional autonomy, governance, academic freedom and industrial relations

There are considerable community concerns regarding the purpose of the reforms.

- Do they represent the aspirations of the wider local University community?
- Will the reforms acknowledge and accept the vital role that regional universities and TAFE facilities provide within their respective communities?

This submission argues the case for maintaining and enhancing regional universities and TAFE Institutions by acknowledging the significant contribution they make to their respective communities, not just in the provision of tertiary education but also their role in the economies of the region in which they are located.

Federal Governments Reform Package:

It is estimated that the Federal Government has effectively reduced funding to Australia's universities by almost \$5 billion since gaining office in 1996.

La Trobe University Victoria has had an effective reduction of \$227.71 million since 1996. This has caused an increase financial pressure and hardship on the university at the same time that there has been an increase in demand for university places.

The Federal Government claims it is attempting to meet some of that demand but in fact its inadequate response comes only by placing the burden on Australian families. It disadvantages students and families by increasing HECS fees by up to 30 per cent, reserving an increased proportion of university places for full fee paying students, introducing \$50,000 loans at 6

per cent interest and adding only 2116 university places for new students by 2007.

The Federal Government encouraged the existing over-enrolment university places in 1998 so as to allow universities to offer places that did not attract full government funding. They are currently funded at \$2,700 per student when the actual average cost of providing them is \$11,700. Up to now universities have been forced to make up the huge shortfall.

Universities were permitted to increase their student numbers, but at the cost of a blow-out in class sizes and a mounting drain on university finances. The situation has become rapidly untenable for Australia's cash-strapped universities and for La Trobe University Bendigo.

The Government claims it wants through its "reforms" to provide adequate funding for these places. This is not a measure of generosity or vision, but a transparent confession of that it has placed our universities in the shocking position where they are struggling to survive.

Its "reforms" do nothing to address the needs of the 20,000 young Australians who, despite having the marks, are being locked out of university each year because of the shortfall in the number of places made available by the Government.

While other developed nations have been investing in higher education and increasing the opportunities for their young people to get into university, this government has virtually strangled the growth in new university places. Between 1992 and 1996 the number of university places increased from 194,000 to 233,000, an increase of nearly 40,000. This is nearly ten times the increase that took place in the following five years. Between 1996, and 2001 just 4000 new places were added to the system. The Government plans to continue to choke university places; over the next seven years only 2116 new commencing places will be created.

The Federal Government's "reforms" for University funding will impact severely on all regional universities that have been struggling under the weight of the huge funding withdrawal from the sector since 1996.

(See Table on Page 6)

Regional Universities & Campuses:

The enquiry should take into account the differing aspirations of individual universities, their need to relate to their local communities and their role in each region. La Trobe University campuses, for example, provide essential economic and cultural support for the regional Victorian community. They provide vital centres of learning throughout regional Victoria and it is important to stress that they are indispensable components of the economies of the regions in which they are located.

Statistics from La Trobe Bendigo indicate that 83% of its students are from Bendigo and Country Victoria.

In 2002 around 7,500 students indicated they were interested in studying at La Trobe University. Only 1,042 first year undergraduate places were available. More than 1,500 students nominated Bendigo as their first choice.

Country students choose to study at La Trobe Bendigo because the University's courses are being increasingly appreciated as quality degree programs that are equal to those offered by metropolitan universities

La Trobe provides a more personal study environment and there is more staff/student contact in smaller classes. (Source: La Trobe University, Bendigo)

La Trobe Bendigo estimates it could lose up to 500 places by 2005 under the Federal Government "reform" package, which will massively scale down enrolments through the simple technique of by scaling back over-enrolments to around 2%. This would mean a reduction from 3,000 places in 2003 to 2,500 places in 2005.

Bendigo Faculty:

The student population (4,167) of La Trobe's faculty at Bendigo represents around 19% of the total student enrolment for the whole University. The University is directly responsible for generating 532 jobs (full-time, part-time and casual) in the Bendigo region.

When the effects of student expenditure are added, another 344 jobs are generated. Once flow-on effects are taken into consideration, the University is responsible for the generation of 1,359 jobs in the Bendigo Region. This amounts to 4.2% of the total regional workforce.

La Trobe University Bendigo is responsible for an initial effect of \$62.4 million being placed in Bendigo's economy each year. The flow on effect is estimated to be \$58.8 million bringing a total of \$120.2 million in output. It generates \$120 million in household income (Source: La Trobe University Centre for Sustainable Regional Communities, Bendigo: See Table Page 9)

The Federal Government's cuts to universities have cost central Victoria dearly. In addition, La Trobe University Bendigo has lost in excess of \$15.5 million over the past five years as a result of internal transfers. Internal transfers of dollars and control to La Trobe University's Bundoora campus have worsened Bendigo's problems. The reason for this is obvious: La Trobe University Bundoora is attempting to alleviate its own budget problems caused by the Federal Government's cuts by extracting around \$2.5 million per year for the past five years from La Trobe Bendigo's operating budget. This is in addition to various "off-the-top" funding withheld for specified centralised services, which have increased progressively to Bendigo's detriment. Also approximately \$3 million in Capital funding has been withheld from Bendigo.

The effect of this has severely hampered La Trobe Bendigo's ability to continue to provide its excellent service. The loss of over \$2.5 million each year limits the Bendigo faculty's ability to provide its diverse range of courses and services; it also results in a deskilling of its administrative support staff and in a substantial stripping of much needed and valuable assets. This is all a direct result of the Federal Government's policies for higher education.

The Federal Government has shown through its "reform" agenda that it thinks more of the big end of town and less of the country. It is creating a two-class system of higher education. A study of higher family incomes in the electorates of key Federal ministers as compared with lower incomes in the

country electorates says everything. La Trobe Bendigo draws the majority of its enrolments from Central and Northern Victoria, which comprises of the electorates of Bendigo, Murray and Mallee. *ABS Median Weekly Family Income (MWF) statistics show Bendigo with an MWF of just \$736.00 per week. Mallee has an MWF of \$755.00 per week and Murray with an MWF of \$813.00 per week. This contrasts decisively with the Prime Ministers, Treasurers and Higher Education Ministers electorates of Bennelong (MWF) \$1,300.00. Higgins (MWF) \$1,570.00 and Bradfield (MWF) \$1,759.00. The average family income in the electorate of the Education Minister is more than double the average income of families in the Bendigo electorate. The education Minister represents the second wealthiest electorate in Australia. It is not surprising that the Federal Government's policy of moving to a "user pays" principal for higher education funding clearly favours families from the wealthy metropolitan suburbs at the expense of rural and regional Australia. (*See Table Page 8)

VET (Vocational Education and Training)

Publicly funded providers of vocational education and training (VET) received \$95 million less in their total revenue from government in 2000 than in 1997 – a reduction of 2.7 per cent in real terms. Revenue from the Commonwealth government declined by \$149 million between 1997 and 2000 – a reduction of 12.7 per cent in real terms. Revenue from State and Territory governments increased by \$57 million (2.6 per cent) and other forms of revenue from government declined by \$3 million between 1997 and 2000.

The main reduction in revenue from the Commonwealth was suffered in income from Specific Purpose Programs (SPPs). VET revenue from this source more than halved – from \$220 million to \$98 million – between 1997 and 2000. Reductions in revenue from Commonwealth SPPs affected all States and Territories, with the biggest losses occurring in Victoria and Tasmania.

The Commonwealth's share of VET revenue declined from 28 per cent of total revenue in 1997 to 24 per cent in 2000.

(Source: Discussion paper by Ms Louise Watson: "Squeezing the VET sector", May 2002).

Bendigo Regional Institute of TAFE:

BRIT has been meeting the training needs of Central Victoria since its establishment in 1854. It operates from its two main campuses in Bendigo and has other facilities at Castrolmaine, Kyneton, Maryborough, Echuca and Kerang. Its annual wages bill in 2001 was \$16.579 million and it has 519 full-time, part-time and casual employees. In EFT terms, this is a workforce of 362. It had 10,469 students enrolled in 2001 over all campuses.

Applying to BRIT the same analysis for estimating the economic importance of the university, I estimate that, together, BRIT and La Trobe University Bendigo are responsible for contributing over \$100 million worth of economic benefit to the region.

Any loss in education and training opportunities caused by a reduction in government spending severely impacts on the region's economy.

Community Aspirations:

Undoubtedly the Bendigo community would prefer:

- More student places (fully resourced/funded).
- An increased choice of courses.
- An increase in the level of staffing and resources.
- A significant increase in La Trobe University Bendigo's decision-making authority.
- To have confidence for the future that the Bendigo faculty will be able, at the very least, to maintain the current levels of staffing, student places and decision-making.
- Bendigo Regional Institute of TAFE funded by the Commonwealth at an appropriate level.

Conclusions:

1. Government must recognise the major role of regional universities/campuses and TAFE institutions in regional development and equity.
2. Consequences of system-wide review will have an impact on regional universities and TAFE facilities.
3. Regional universities/campuses must be protected from further cuts imposed by their metropolitan head offices.

Recommendations:

Enquiry should recommend:

1. Confirmation of existing places (fully funded) to regional university/campuses.
2. Additional funded places should be tied to individual campuses rather than universities.
3. (Under review of governance measures). Require metro-based "regional" universities (La Trobe, Monash, Melbourne, arguably Deakin and increasingly RMIT) to devolve real planning and management authority to regional Boards – moving to more of a federation rather than central control model.
4. Encourage/require regional universities/campuses to further develop the regional development/equity role.
5. VET funding should be reinstated to at least the pre-1997 levels.

FEDERAL GOVERNMENT'S EFFECTIVE CUTS TO UNIVERSITY PLACES AND FUNDING: (Based on Government reports of university finances and accounting for the real increases in the costs of running a university)

Institution/State	Cumulative funding cut 1996 – 2002+	Student: staff ratio increase 1996 - 2001
NSW	-\$1,705.485m	21%
Avondale College	-\$2.142m	N/A
Charles Sturt	-\$117.493m	53%
Macquarie	-\$160.985m	49%
Southern Cross	-\$27.051m	-
New England	-\$128.644m	9%
Uni New South Wales	-\$262.169m	14%
Newcastle	-\$119.659m	22%
Sydney	-\$346.515m	18%
Uni of Technology, Sydney	-\$186.252m	18%
Western Sydney	-\$270.634m	28%
Wollongong	-\$83.941m	2%
VICTORIA	-\$1,348.262m	18%
Deakin	-\$192.462m	28%
LaTrobe	-\$227.741m	5%
Marcus Oldham	-\$0.283m	N/A
Monash	-\$337.640m	10%
RMIT	-\$208.994m	40%
Swinburne	-\$91.208m	59%
Ballarat	-\$52.256m	18%
Melbourne	-\$71.094m	38%
Vic Uni Technology	-\$166.584m	-
WA	-\$547.823m	25%
Curtin	-\$258.332m	33%
Edith Cowan	-\$97.646m	35%
Murdoch	-\$64.825m	27%
Notre Dame>	\$10.604m	N/A
Uni Western Australia	-\$137.624m	4%
QUEENSLAND	-\$620.635m	30%
Central Queensland	-\$53.373m	70%
Griffith	-\$62.976m	28%
James Cook	-\$87.137m	63%
QUT & University of the Sunshine Coast^	-\$188.651m	QUT - 22%
Uni of Queensland	-\$186.641m	36%
Southern Queensland	-\$58.197m	-
SA	-\$390.201m	23%
Flinders	-\$52.783m	10%
Adelaide	-\$126.027m	11%
Uni South Australia	-\$211.391m	41%
TASMANIA	-\$118.946m	14%
Uni of Tasmania	-\$111.702m	14%
Australian Maritime College*	-\$7.244m	N/A

ACT	-\$190.474m	19%
ANU	-\$123.543m	33%
Canberra	-\$66.931m	11%
NT	-\$15.173m	28%
NT Uni	-\$34.380m	28%
Batchelor College*	\$19.208m	-
Multi State Institution	-\$56.998m	18%
Aust Catholic Uni	-\$56.998m	18%
TOTAL AUSTRALIA	-\$4,993.996m	22%

+ The cuts measure the decline in direct government support to universities, and therefore do not count fees paid by students via the Higher Education Contribution Scheme (HECS) as public funding. The cuts are presented in 2002 dollars using a realistic deflator based on the Wage Cost Index and the Consumer Price Index (this differs from government figures which use the Cost Adjustment Factor which does not accurately reflect the increase in university cost structures).

< Excludes over-enrolments (ie those additional places funded at around 25% of the standard rate) but includes Research Training Places from 2001 to ensure consistency.

At most institutions the number of student places have decreased under the Howard Government. But the 1995 Budget had included substantial increases in student numbers, particularly in Queensland and Western Australia. The Coalition cuts in the 1996 budget were against these projections and as a result some universities still recorded an increase in places despite the cuts. Columns E and F are only relevant for those institutions where places have increased and are to be used instead of columns C and D respectively.

> Data on University of Notre Dame places commenced in 1999 and funding in 2000.

^ Prior to 1999, University of the Sunshine Coast funding and places were allocated through QUT. As a result disaggregated cuts are not available.

*AMC and Batchelor College places existed prior to 1998 but were not reported. Change is from 1998 and is therefore excluded from state/territory/national totals to ensure consistency.

N/A@ While there has been some increase in the total number of fully funded places, there has been a substantial cut against the places provided in the 1995 Budget.

Median Weekly Family Income
Electorate Rankings: Census *2002 (*2000 Electoral Boundaries)
Steve Gibbons MP, Federal Member for Bendigo (Source ABS)

Rank	Division (State)	Party	2002
1	Cowper (NSW)	NP	\$618
2	Wide Bay (Qld)	NP	\$622
3	Lyne (NSW)	NP	\$642
4	Richmond (NSW)	NP	\$654
5	Page (NSW)	NP	\$656
6	Fairfax (Qld)	LIB	\$677
7	Lyons (Tas)	ALP	\$685
8	Braddon (Tas)	ALP	\$688
9	Gilmore (NSW)	LIB	\$698
10	Fisher (Qld)	LIB	\$700
11	Gippsland (Vic)	NP	\$700
12	Grey (SA)	LIB	\$705
13	Paterson (NSW)	LIB	\$711
14	Fowler (NSW)	ALP	\$714
15	Gwydir (NSW)	NP	\$716
16	Bonython (SA)	ALP	\$718
17	Longman (Qld)	LIB	\$720
18	O'Connor (WA)	LIB	\$723
19	Hinkler (Qld)	NP	\$724
20	Barker (SA)	LIB	\$730
21	Bendigo (Vic)	ALP	\$736
22	New England (NSW)	IND	\$741
23	Brand (WA)	ALP	\$752
24	Mallee (Vic)	NP	\$755
25	Parkes (NSW)	NP	\$757
26	Bass (Tas)	ALP	\$760
27	Port Adelaide (SA)	ALP	\$760
28	Blair (Qld)	LIB	\$765
29	Shortland (NSW)	ALP	\$767
30	Wakefield (SA)	LIB	\$774
31	Wannon (Vic)	LIB	\$780
32	McPherson (Qld)	LIB	\$789
33	Kennedy (Qld)	IND	\$790
34	Eden-Monaro (NSW)	LIB	\$792
35	Ballarat (Vic)	LIB	\$793
36	Maranoa (Qld)	NP	\$797
37	Indi (Vic)	LIB	\$809
38	Franklin (Tas)	ALP	\$810
39	Murray (Vic)	LIB	\$813

Rank	Division (State)	Party	2002
40	Farrer (NSW)	NP	\$816
41	McMillan (Vic)	ALP	\$817
42	Corio (Vic)	ALP	\$825
43	Kingston (SA)	ALP	\$825
44	Reid (NSW)	ALP	\$827
45	Flinders (Vic)	LIB	\$828
46	Dawson (Qld)	NP	\$830
47	Newcastle (NSW)	ALP	\$836
48	Groom (Qld)	LIB	\$838
49	Blaxland (NSW)	ALP	\$839
50	Oxley (Qld)	ALP	\$839
51	Forrest (WA)	LIB	\$845
52	Moncrieff (Qld)	LIB	\$845
53	Forde (Qld)	LIB	\$847
54	Charlton (NSW)	ALP	\$848
55	Rankin (Qld)	ALP	\$853
56	Lingiari (NT)	ALP	\$856
57	Throsby (NSW)	ALP	\$859
58	Gellibrand (Vic)	ALP	\$860
59	Denison (Tas)	ALP	\$861
60	Batman (Vic)	ALP	\$864
61	Hindmarsh (SA)	LIB	\$866
62	Riverina (NSW)	NP	\$866
63	Calare (NSW)	IND	\$873
64	Hunter (NSW)	ALP	\$874
65	Dobell (NSW)	ALP	\$877
66	Leichhardt (Qld)	LIB	\$883
67	Pearce (WA)	LIB	\$885
68	Capricornia (Qld)	ALP	\$886
69	Watson (NSW)	ALP	\$887
70	Stirling (WA)	ALP	\$888
71	Swan (WA)	ALP	\$890
72	Maribyrnong (Vic)	ALP	\$893
73	Corangamite (Vic)	LIB	\$894
74	Holt (Vic)	ALP	\$896
75	Hasluck (WA)	ALP	\$898
76	Chifley (NSW)	ALP	\$899
77	Robertson (NSW)	LIB	\$908
78	Perth (WA)	ALP	\$909

Rank	Division (State)	Party	2002
79	Petrie (Qld)	LIB	\$912
80	Canning (WA)	ALP	\$915
81	Wills (Vic)	ALP	\$917
82	Fadden (Qld)	LIB	\$926
83	Hume (NSW)	LIB	\$927
84	Makin (SA)	LIB	\$930
85	Fremantle (WA)	ALP	\$937
86	McEwen (Vic)	LIB	\$945
87	Dunkley (Vic)	LIB	\$948
88	Hotham (Vic)	ALP	\$951
89	Lilley (Qld)	ALP	\$958
90	Herbert (Qld)	LIB	\$960
91	Calwell (Vic)	ALP	\$964
92	Scullin (Vic)	ALP	\$970
93	Bowman (Qld)	ALP	\$972
94	Isaacs (Vic)	ALP	\$981
95	Sturt (SA)	LIB	\$983
96	Lalor (Vic)	ALP	\$988
97	Cowan (WA)	ALP	\$992
98	Burke (Vic)	ALP	\$993
99	Mayo (SA)	LIB	\$1,000
100	Boothby (SA)	LIB	\$1,003
101	Bruce (Vic)	ALP	\$1,003
102	Cunningham (NSW)	ALP	\$1,003
103	Adelaide (SA)	LIB	\$1,011
104	Moreton (Qld)	LIB	\$1,011
105	Prospect (NSW)	ALP	\$1,019
106	Werriwa (NSW)	ALP	\$1,031
107	Deakin (Vic)	LIB	\$1,057
108	Casey (Vic)	LIB	\$1,058
109	Banks (NSW)	ALP	\$1,065
110	Chisholm (Vic)	ALP	\$1,065
111	Barton (NSW)	ALP	\$1,067
112	Dickson (Qld)	ALP	\$1,071
113	Kalgoorlie (WA)	LIB	\$1,072
114	Macquarie (NSW)	LIB	\$1,077
115	Parramatta (NSW)	ALP	\$1,080
116	Macarthur (NSW)	ALP	\$1,088
117	La Trobe (Vic)	LIB	\$1,089

Rank	Division (State)	Party	2002
118	Griffith (Qld)	ALP	\$1,099
119	Greenway (NSW)	ALP	\$1,107
120	Tangney (WA)	LIB	\$1,127
121	Moore (WA)	LIB	\$1,131
122	Lindsay (NSW)	LIB	\$1,132
123	Kingsford Smith (NSW)	ALP	\$1,146
124	Melbourne (Vic)	ALP	\$1,154
125	Jagajaga (Vic)	ALP	\$1,168
126	Aston (Vic)	LIB	\$1,180
127	Solomon (NT)	CLP	\$1,182
128	Grayndler (NSW)	ALP	\$1,190
129	Brisbane (Qld)	ALP	\$1,208
130	Menzies (Vic)	LIB	\$1,241
131	Lowe (NSW)	ALP	\$1,270
132	Cook (NSW)	LIB	\$1,296
133	Bennelong (NSW)	LIB	\$1,300
134	Fraser (ACT)	ALP	\$1,304
135	Ryan (Qld)	LIB	\$1,305
136	Canberra (ACT)	ALP	\$1,347
137	Curtin (WA)	LIB	\$1,381
138	Goldstein (Vic)	LIB	\$1,385
139	Hughes (NSW)	LIB	\$1,397
140	Melbourne Ports (Vic)	ALP	\$1,406
141	Mackellar (NSW)	LIB	\$1,416
142	Berowra (NSW)	LIB	\$1,488
143	Sydney (NSW)	ALP	\$1,517
144	Higgins (Vic)	LIB	\$1,570
145	Warringah (NSW)	LIB	\$1,572
146	Kooyong (Vic)	LIB	\$1,593
147	Mitchell (NSW)	LIB	\$1,597
148	Wentworth (NSW)	LIB	\$1,649
149	Bradfield (NSW)	LIB	\$1,759
150	North Sydney (NSW)	LIB	\$1,792

The Economic Impact of La Trobe University, Bendigo on the Greater Bendigo Economy:

1. Output:

The direct economic activity generated by La Trobe University, Bendigo in the region was based on Government Grants and revenue from overseas students in 2001 and amounted to \$35.973m.

Major components of income were:

Government Grants	\$24.638m
Fees- International Students	\$ 2.185m
Trading (consulting, fees etc.)	\$ 2.993m
Other Revenue (Grants etc.)	\$ 6.057m.

Added to this were estimates of local spending by students including:

Retail spending	\$12.183m,
Rental expenditure	\$ 6.844m,
Café and restaurant spending	\$ 6.240m, and
Transport	\$ 2.010m

<i>Greater Bendigo</i>		ECONOMIC IMPACT		
OUTPUT \$M				
FILL IN EXPECTED ANNUAL CHANGES IN OUTPUT TABLE				
(Final Demand Column)	\$M			
	Final Demand	Industrial Effect	Consumption Effect	Total
SECTOR				
Agriculture,Forest,Fish	0.000	0.202	0.000	1.134
Mining	0.000	0.033	0.093	0.126
Manufacturing	0.000	2.004	7.116	9.120
Electricity,Gas&Water	0.046	0.571	1.698	2.315
Construction	0.000	0.075	0.049	0.123
Wholesale Trade	0.000	1.674	2.689	4.362
Retail Trade	12.183	1.440	8.861	22.484
Accomm.,Cafes&Rest.	6.240	0.210	2.886	9.336
Transport & Storage	2.010	0.708	1.435	4.153
Communication Serv	0.000	0.720	1.552	2.272
Finance & Insurance	0.000	0.903	3.048	3.950
Property&BusinessServ	15.107	2.368	9.722	27.197
Govt Admin & Defence	0.000	0.204	0.216	0.420
Education	26.823	0.088	1.061	27.973
Hlth&Community Serv	0.000	0.017	2.096	2.112
Cultural&Rec Serv	0.000	0.121	1.579	1.700
Personal & Other Serv	0.000	0.069	1.358	1.427
Households	0.000			
TOTAL	62.409	11.406	45.458	120.204
		Type 1		Type 2
Output Multiplier		1.18		1.93

These expenditure figures were based on estimates prepared by the University and were very close to those prepared for use by overseas students by the Department of Immigration and Multicultural Affairs. Allowances were made for the 54% of La Trobe students estimated to be living at home.

The above data were entered into the economic model of the Greater Bendigo Region using REMPLAN © software and the flow-on effects of spending were calculated.

Total initial economic activity was estimated at \$62.409m and this was distributed amongst six of the seventeen industry sectors. Flow-on effects amounted to a further \$56.864m providing a total boost of \$120.204m in output to the Bendigo region as set out in the accompanying table. This represents 2.9% of total regional output.

2. Household Income

In terms of Household income, the University itself directly generates \$21.653m and a further \$7.579m is directly generated through student expenditure. Flow-on effects produce another \$14.298m taking the total income generated as a result of the University to \$46.622m. This amounts to 3.9% of total household income in the region.

	ECONOMIC IMPACT			
INCOME	(Household)		\$M	
\$M				
	Final	Industrial	Consumption	Total
SECTOR	Demand	Effect	Effect	
Agriculture,Forest,Fish	0.000	0.021	0.097	0.118
Mining	0.000	0.004	0.012	0.016
Manufacturing	0.000	0.336	1.192	1.528
Electricity,Gas&Water	0.006	0.074	0.221	0.302
Construction	0.000	0.015	0.010	0.024
Wholesale Trade	0.000	0.431	0.693	1.124
Retail Trade	1.413	0.167	1.028	2.608
Accomm.,Cafes&Rest.	1.498	0.050	0.693	2.241
Transport & Storage	0.495	0.174	0.354	1.023
Communication Serv	0.000	0.179	0.386	0.565
Finance & Insurance	0.000	0.297	1.003	1.300
Property&BusinessServ	4.167	0.653	2.682	7.502
Govt Admin & Defence	0.000	0.097	0.103	0.199
Education	20.746	0.068	0.821	21.635
Hlth&Community Serv	0.000	0.010	1.305	1.316
Cultural&Rec Serv	0.000	0.029	0.384	0.413
Personal & Other Serv	0.000	0.034	0.674	0.708
Households				
TOTAL	28.325	2.642	11.656	42.622
		Type 1		Type 2
Income Multiplier		1.09		1.50

3. Employment

The University is directly responsible for 532 jobs (full-time, part-time and casual) in the Bendigo region. When the effects of student expenditure are added, another 344 jobs are accounted for. Once flow-on effects are taken into consideration, the University is responsible for the generation of 1,359 jobs in the Bendigo Region. This amounts to 4.2% of the total regional workforce.

ECONOMIC IMPACT				
	EMPLOYMENT		Units	
	Final	Industrial	Consumption	Total
SECTOR	Demand	Effect	Effect	
Agriculture,Forest,Fish	0	1.397	6	7.842
Mining	0	0.067	0	0.251
Manufacturing	0	8.436	30	38.389
Electricity,Gas&Water	0	1.422	4	5.762
Construction	0	0.517	0	0.856
Wholesale Trade	0	9.884	16	25.763
Retail Trade	200	23.662	146	369.499
Accomm.,Cafes&Rest.	74	2.485	34	110.555
Transport & Storage	12	4.145	8	24.319
Communication Serv	0	3.754	8	11.839
Finance & Insurance	0	5.378	18	23.534
Property&BusinessServ	58	9.108	37	104.621
Govt Admin & Defence	0	1.750	2	3.603
Education	532	1.752	21	555.113
Hlth&Community Serv	0	0.299	38	38.283
Cultural&Rec Serv	0	1.155	15	16.223
Personal & Other Serv	0	1.105	22	22.878
Households				
TOTAL	876	76	407	1,359
		Type 1		Type 2
Employment Multiplier		1.09		1.55

La Trobe University, Bendigo plays a significant role in the economic activity of the City of Greater Bendigo. It generates \$120m in output, \$46m in household income and 1,359 jobs in the region. It is also a very important contributor to the growing human and intellectual capital of the region and provides a catalyst for further economic development in the region.

The Economic Impact of La Trobe University, Bendigo on the Greater City of Bendigo

	Initial Effect	Flow-on effects	TOTAL	% of Regional Activity
TOTAL OUTPUT	\$62.409m	\$58.864m	\$120.204m	2.9%
HOUSEHOLD INCOME	\$28.325m	\$14.298m	\$46.622m	3.9%
REGIONAL EMPLOYMENT No. Employed	876	483	1359	4.2%

(Source: Mr Ian Pinge Centre for Sustainable Regional Communities
La Trobe University, Bendigo.)