

Chapter 4

Delivery of tertiary educational opportunities by regional institutions

The significant contribution of universities with campuses in regional Australia is undeniable. They play a crucial role in regional economic growth and development and the social and cultural life of their communities. As such, their impacts often extend far beyond traditional educational and research activities. They are often central to regional economic and labour force benefits, including retaining graduates and professionals in the regions, generating diverse employment opportunities, and promoting regional research and investment.¹

Introduction

4.1 This chapter of the report explores two challenges faced by regional institutions: the funding of regional institutions and attracting students to study at these institutions.

4.2 The Review of Australian Higher Education (the Bradley Review) highlighted the importance of regional universities to regional communities, and put forward a plan for how universities could better provide for the communities they service:

Australia needs a sustainable system of higher education provision in regional and remote areas. Provision needs to be flexible and innovative. It must anticipate and respond rapidly to local needs. Providers in regional and remote areas need to be encouraged and supported to build upon partnerships with local communities, providers in other sectors of education, businesses and industry. Such arrangements will involve institutional cross-collaboration and partnerships, including sharing the use of facilities and resources.²

4.3 Submissions and evidence to the inquiry also highlighted the fundamental role that universities play in the sustainability of regional communities, as the University of New England explained in its submission:

In addition to the academic importance of regional universities, their contribution to regional communities in respect to economic and socio-cultural inputs cannot be underestimated. Aside from the obvious, immediate effects of economic contribution by a major employer, a strong regional university is also fundamental to encouraging young people to remain in their local community and infusing their professional skills into

1 Department of Education, Employment and Workplace Relations (DEEWR), *Submission 523*, p. 32.

2 Professor Denise Bradley et al, *Review of Australian Higher Education* (Bradley Review), December 2008, p. 111.

the community. There is a real and strong connection between vibrant rural and regional communities and the presence of a local university.³

4.4 Professor Paul Thomas, Vice-Chancellor and President of the University of the Sunshine Coast, explained to the committee the steps that university had taken to retain graduates in regional areas:

We as a university have got to do something about promoting job generation. We do that by having built an innovation centre and having created 50 new companies and over 500 jobs in which students can gain experience when they are undertaking a degree. They can get jobs in them and can even be given help in starting up their own companies in the region. That is a vital part of us not just educating students but keeping them in the region once they have [graduated].⁴

4.5 However, the committee heard evidence and received submissions from a number of institutions which were either based in regional areas or have regional campuses, that the biggest challenge they faced is the cost of providing courses due to economies of scale and distance.⁵

4.6 The other challenge that regional institutions face is attracting students to study at those institutions. A recurring theme through the inquiry were students and their families stating that, where there was a local regional university or TAFE, students were still required to move away from home because that local institution offered only limited courses and did not offer the course that the student wished to study.⁶

4.7 The first section of the report discusses government measures for funding of regional universities. The second section of the report looks at the issue of attracting students to study at regional institutions, and discusses ways in which regional institutions might expand course offerings and accessibility to courses for students.

Funding for regional universities

4.8 As part of the 'Transforming Australia's Higher Education System' reform package announced in May 2009 the Government announced changes to funding for higher education providers. Those changes included the introduction of funding compacts between the Australian Government and universities, a move to student-

3 *Submission 558*, p. 6.

4 *Committee Hansard*, 2 September 2009, p. 47. See also Southern Cross University, *Submission 244*, pp 4-5.

5 See for example La Trobe University, *Submission 119*, p. 7, Edith Cowan University, *Submission 430*, p.1 and Deakin University, *Submission 691*, p. 5.

6 See for example, Ms Cathy Rasmussen, *Submission 347*, p.1, Ms Krystal Thompson, *Submission 371*, p. 1 and Ms Lynda Gerrard, *Submission 496*, p. 1.

demand driven funding, and a review of the current system of regional loading payments to universities.

Funding Compacts and student-demand driven funding

4.9 The Australian Government's announcement of the reform package for higher education describes the role of the 'mission-based funding compacts' between the Government and individual universities:

...mission-based compacts [will] outline the relationship between the Commonwealth and each university...the Australian Government will work in partnership with universities but define clear and consistent targets for improvement and reform which will trigger reward payments.

Compacts will be in two parts, one covering teaching and learning and the other covering research. The Minister for Innovation, Industry, Science and Research will be responsible for the research elements and the Minister for Education will be responsible for the teaching and learning elements.

...

Compacts will facilitate alignment of institutional activity with national priorities. They will also be used to help set performance targets for each institution in relation to quality, attainment and participation by students from under-represented groups.⁷

4.10 Professor Arshad Omari, Deputy Vice-Chancellor of Edith Cowan University, told the committee that, at present, the very nature of the compacts was unclear:

The idea is that we will negotiate with the Commonwealth government... on performance targets with respect to teaching and research. What those performance targets will be is somewhat unclear at the moment and how they will actually be phrased is a little bit unclear at the moment. We know that the performance targets are aimed at the low socioeconomic, rural and isolated - those in the social inclusion agenda - but it is not clear whether these are top-up rewards for achieving targets or real targets where there are penalties for not achieving them. Parallel to that we have been told that we will get funded for every student that turns up to our university. How these negotiations will pan out is still a bit unclear. Every time I have been to a meeting on compacts they have not been that clear with respect to what the reality of one of these negotiations or documents will look like.⁸

4.11 The committee also notes the concerns of Professor Paul Thomas, Vice-Chancellor and President of the University of the Sunshine Coast, that the importance

7 Australian Government, *Transforming Australia's Higher Education System*, May 2009, p. 47. Available at: <http://www.deewr.gov.au/HigherEducation/Pages/TransformingAustraliasHESystem.aspx>, accessed 27 November 2009.

8 *Committee Hansard*, 22 September 2009, p. 90.

of regional universities to the regional community might not be taken into account in the development of compacts:

At the moment, we are beginning discussions with the Commonwealth about the nature of compacts and the [manner] in which they will circumscribe what individual universities do and how they will be funded against their missions and their key performance indicators. An interesting one has been downplayed in the Bradley report with respect to the economic impact of a university serving regional and rural students. Bradley has said that there should really be a two-pronged approach to the definition of 'compacts', one with respect to teaching and one with respect to research, which none of us would have any problems with. Those are the core areas of what universities are expected to address. Where they have underplayed universities in regions is in the fact that we have other roles to do with serving the community - contributing to regional advancement, for example, and regional economic development. If we sat at our university and simply taught students and encouraged them to conduct research, the best of them would still leave the region, because there are no jobs.⁹

4.12 The University of New England (UNE), however, described in its submission the potential of the funding compacts:

...UNE supports the introduction of mission-based compacts. The University trusts that a UNE Compact will allow us to negotiate on special regional requirements, specific targets, and community engagement and social inclusion programs that require Government support. UNE expects to introduce and expand upon existing programs and projects, within the framework of the Compact that will enable the university to work more intensively with its regional communities to raise aspirations for higher education, especially among low [socioeconomic status] and Aboriginal young people, who currently are at risk of not completing secondary school.¹⁰

4.13 Another aspect of the Government's proposed reforms to university funding is to move from a system where universities had a cap on the number of places for which they could receive funding to a system where universities are funded for places based on student demand. According to the Department's submission the move to a 'student-centred' funding system will provide an incentive for institutions to increase enrolments and provide more opportunities for students to pursue a higher education qualifications:

Given the current comparatively low rates of participation by students from regional areas, there is potential for this group to benefit from additional higher education places being offered by institutions that choose to expand their enrolment base.¹¹

9 *Committee Hansard*, 2 September 2009, p. 47.

10 *Submission 558*, p. 3.

11 *Submission 523*, p. 16.

4.14 The committee received some limited comments on this proposed reform. The University of Newcastle expressed concern that student-based funding may have significant impacts on regional universities:

The implications of student-based rather than institutional funding...are likely to have significant impacts on regional universities in terms of their ability to continue to offer a full range of courses. Strong funding for regional universities to be able to continue to offer a broad range of educational opportunities is required.¹²

4.15 The University of Melbourne suggested extending the demand-driven funding system to TAFE providers:

One option which ought to be considered is extending the demand-driven funding system due to start in 2012 to all accredited higher education providers, as originally recommended in the Bradley report. Under such a system, the existing network of regional TAFEs would become possible sites for higher education courses. As they could provide higher education on top of their existing vocational education courses, TAFEs are more likely to achieve the economies of scale needed to be able to deliver courses at a per student cost within Commonwealth-supported place funding levels. A number of TAFEs already offer higher education courses, and it is likely that student demand would be significantly higher if TAFEs did not have to charge full fees, as they generally would have to do under the currently proposed policy.¹³

Structural Adjustment Fund

4.16 Another aspect of the reform to funding arrangements for higher education providers is the establishment of a Structural Adjustment Fund. The Department's submission provides the following information in relation to the Structural Adjustment Fund:

To support continuing transformation in the higher education sector, \$400 million will be provided over four years for structural adjustment. This includes \$200 million for a capital component of structural adjustment provided through the Government's Education Investment Fund.

The structural adjustment fund will be available to all regional and metropolitan universities and will enable institutions to develop diverse missions.

This funding will promote long term sustainability in the sector by assisting universities in making strategic decisions about their future mission and possible ways to enhance their place in the new higher education environment. It will replace the existing Diversity and Structural

12 *Submission 364*, p. 6. See also Associate Professor Richard Murray, Head of School of Dentistry and Medicine, James Cook University, *Committee Hansard*, 10 November 2009, p. 16.

13 *Submission 449*, p. 6.

Adjustment Fund, and will support broader strategic and capital projects. In particular, the new fund will lay the ground work for the provision of more sustainable higher education in regional areas.¹⁴

4.17 The Department's submission states that the Australian Government provides funding through the Diversity and Structural Adjustment Fund (Diversity Fund) for 'a number of university lead projects that aim to increase tertiary education study options for students in regional areas'.¹⁵ The committee notes that the Diversity Fund is to be replaced by the Structural Adjustment Fund.

4.18 Projects funded under the Diversity Fund, or its predecessor the Collaborative and Structural Reform Fund, are categorised into three types:

- (a) online learning and courses accessible via the world wide web;
- (b) entry level study with a regional education provider that may be used for access to a university course or raises the aspirations of students; and
- (c) greater collaboration between higher education and vocational education and training providers and other members of the community.

4.19 The Department's submission gives a number of examples of Diversity Fund projects.¹⁶ For example, the Integrated Rural Health Workforce Development project which is being lead by La Trobe University (La Trobe) received \$3,162,000 from the Diversity Fund:

This...project commenced in 2009 and helps establish the Northern Victorian School of Rural and Regional Health, centred at the regional campus in Bendigo. It enables La Trobe to specialise in the sustainable delivery of nursing and allied health programs to address the demand for health workers in the rural sector. The new School will engage with the health sector across northern Victoria to develop a new clinical placement program to enhance the learning, experience and quality of graduates. The School will further develop links with other higher education providers in the region, such as the Monash University Medical School and the regional TAFEs, through sharing of resources and articulation of educational pathways. A new hub-and-spoke delivery model will be implemented.¹⁷

4.20 The committee received some evidence in relation to the structural funding that the Government provides to universities.

4.21 Professor Paul Thomas, Vice-Chancellor and President, University of the Sunshine Coast expressed concern that the structural adjustment funding was not

14 *Submission 523*, p. 32.

15 *Submission 523*, p. 11.

16 *Submission 523*, pp 11-14. See also Professor Neil Otway, Director, Centre for Regional Engagement, University of South Australia, *Committee Hansard*, 23 September 2009, p. 41.

17 *Submission 523*, p. 13.

being targeted to the regional institutions which will play an important role in the Government achieving the participation goals that it has set for tertiary education:

In a sense, the world-class agenda or aspirations of a Melbourne or an [Australian National University] to become even more significant on the world stage...is fine. But there is another issue [the] social inclusion agenda, which heavily rests on having more rural and regional students admitted to universities. At the moment, those [Education Investment Fund] moneys are running out at a rate of knots and if we do not benefit as growth regional universities then we are in serious trouble. If you look at some of these structural reform guidelines that have been issued to date, for example, where there are hundreds of millions of dollars again to be distributed, they are currently framed in a way that seem to favour those universities that are in deep trouble and that are contemplating amalgamation or will be in financial difficulties by 2011-12. So at the one end of the scale, moneys are being distributed to the very successful, the structural adjustment moneys are being given to the ones in difficulties, and at the other end of the scale, universities like my own, which is a real success story, are failing to get the sums of money we need to deal with the students even though we are growing by 10 per cent a year and we are bursting at the seams to admit students who are, for the most part, low [socioeconomic status] and first in family.¹⁸

4.22 TAFE Directors Australia stated that it is concerned that, despite the details of the Structural Adjustment Funds being advised to universities, there has been little observable change in the approach of many universities in terms of initiatives which would benefit students in regional and remote areas.¹⁹ Ms Elizabeth McGregor, a member of TAFE Directors Australia, gave the following example of universities being willing to work with other education providers with regards to the delivery of courses. However, as Ms McGregor points out, the courses that the universities want to deliver might not necessarily be those that are required within the community:

What we have noticed, and it has certainly happened in my region, is that the structural adjustment funds at the moment are funnelled primarily through individual universities. We have a situation in one of our towns at the moment where there are four different universities talking either to us or to local government about provision in relation to health. That is great, except that they are not necessarily talking to each other, and no-one is talking to us about information technology or business or whatever. So we would argue that if the structural adjustment funds were available either to the TAFE sector or to local government, what you would get is the perspective of the community: 'These are the qualifications we need in our town for our economy.' Then we work with the community and the business people who can help young people to aspire to those qualifications and we potentially have a range of universities with different capabilities working

18 *Committee Hansard*, 2 September 2009, p. 43.

19 Ms Debra Daly, Chair, TAFE Directors Australia, *Committee Hansard*, 2 September 2009, p. 56.

together with us and local government to provide solutions, as opposed to the behaviour we are getting at the moment, which the system drives, which is a single university thinking about its mission and what it wants to do in town.

We have opened up invitations to a range of universities to have a discussion around that. They are keen, but there are going to be no resources that we can bring to the table to say, 'Let's take it beyond an idea.'²⁰

Committee view

4.23 The committee notes that it has received limited evidence on the reforms to university funding in the form of the establishment of compacts between Government and individual universities and the move towards student demand-driven funding.

4.24 However, the information that the committee has received indicates that there is some concern within some institutions as to the impact that these reforms will have on funding for regionally-based institutions in terms of what these universities can do to develop courses that serve the needs of their region and attract students to study in the region.

4.25 The new student-demand driven funding will take effect from 2012, with a transition period in place from 2010-11.²¹

4.26 The committee also notes the concerns expressed in relation to the Structural Adjustment Fund, in particular the allocation of funds under this program and how universities are making use of these funds to benefit students in regional and remote areas.

Recommendation 7

4.27 The committee recommend that a review be undertaken in 2013 to assess the impact of funding compacts, student-driven demand funding and the Structural Adjustment Fund on regional universities.

Regional Loading

4.28 The Australian Government provides higher education providers with regional campuses with a 'regional loading' in recognition of the higher costs they face as a result of location, size and history.²²

20 *Committee Hansard*, 2 September 2009, p. 66.

21 DEEWR, *Submission 523*, p. 23.

22 DEEWR Website, *Commonwealth Grants Scheme*, available at <http://www.deewr.gov.au/HigherEducation/Programs/Funding/CommonwealthGrantScheme/Pages/Home.aspx>, accessed 2 December 2009.

4.29 To be eligible for the regional loading, a campus must be located outside a mainland capital city, other than Darwin, and in a population centre with fewer than 250,000 people (with the exception of Wollongong). Funding is calculated on a campus by campus basis, and the level of funding is dependent on the 'band' within which the campus falls based on the distance of the campus from the closest mainland capital, and the size of the institution according to the equivalent full time student load (EFTSL) of the campus.

Table 1: Funding bands for regional loading.²³

Band	Location	Size of Provider	Loading Percentage
1.	Northern Territory	N/A	30%
2.	Campus is more than 300 kms from nearest mainland capital city	Fewer than 10,000 Commonwealth supported EFTSL	7.5%
3.	Campus is more than 300 kms from nearest mainland capital city	10,000 or more Commonwealth supported EFTSL	5.0%
	OR		
	Campus is less than 300 km from nearest mainland capital city	Fewer than 10,000 Commonwealth Supported EFTSL	
4.	Campus is less than 300 kms from nearest mainland capital city	10,000 or more Commonwealth supported EFTSL	2.5%
5.	Wollongong	N/A	1.5%

4.30 In 2009, the total amount of funding available for the regional loading is \$31.167 million.²⁴

4.31 The Bradley Review commented that the regional loading is 'not sufficiently targeted to those campuses which have major problems achieving and maintaining viable student numbers because of their location'.²⁵

23 *Commonwealth Grants Scheme Guidelines No. 1*, paragraph 4.5.75.

24 Department of Education, Employment and Workplace Relations, *Administrative information for providers: Commonwealth Grant Scheme*, October 2008, p. 17. Available at: <http://www.deewr.gov.au/HigherEducation/Programs/Funding/CommonwealthGrantScheme/Documents/AIP.pdf>, accessed 16 November 2009. See also Department of Education, Employment and Workplace Relations, *Higher Education Report 2007*, p. 11, which sets out the distribution of the regional loading across higher education providers in 2007. Available at: <http://www.deewr.gov.au/HigherEducation/Publications/HEReports/Documents/HEReport07.pdf>, accessed 16 November 2009.

25 Bradley Review, December 2008, p. 110.

4.32 The Bradley Review made the following assessment of the current arrangements for the regional loading:

In its review of this measure, the panel could discern little relationship in a number of cases to the existence of a loading and the location of a campus. Even more mysterious was the underlying logic of the weightings. But its greatest concern is that this loading for provision in regional and remote areas provides no clear incentive to any institution or provider to set up new programs in areas of need nor to work collaboratively with others to address the real problems of provision in localities where there are not enough people [to] support a viable campus. It also masks signals that provision in areas currently served may now need serious review.

Current arrangements through the regional loading do not appear likely to address the problems of falling participation rates in regional and remote areas or to encourage changed patterns of provision better aligned to need. Perhaps most importantly there is little incentive for providers to seek out opportunities to provide programs in regional or remote locations. For these reasons the panel has concluded that the regional loading should be abolished and new arrangements implemented.²⁶

4.33 Witnesses to the inquiry also highlighted the inappropriateness of the current funding model for the regional loading. For example, Mr Anthony Payne, Head, Equity and Diversity Unit, Deakin University detailed how cross-subsidisation by metropolitan campuses is used to make up for the shortfall in regional loading funding:

At the moment the regional loading is totally inadequate. Deakin University receives about \$600,000 per annum in relation to its regional and rural campuses. The additional cross-subsidy from the metropolitan universities is more in the order of \$10 million. So there is a significant cost disincentive to providing higher education facilities in rural areas. We do it because we have a strong commitment to it: it is part of our mandate.²⁷

4.34 Representatives from Charles Darwin University, which receives the greatest weighting for the regional loading, also indicated that the funding arrangements were deficient:

Many of my colleagues suggested that Charles Darwin had done extremely well in getting a regional loading of 30 per cent...

26 Bradley Review, p. 110.

27 *Committee Hansard*, 23 September 2009, p. 30. See also Professor Arshad Omari, Deputy Vice-Chancellor, Edith Cowan University, *Committee Hansard*, 22 September 2009, p. 88, Professor Lin Crase, Executive Director, Albury-Wodonga Campus, La Trobe University, *Committee Hansard*, 24 September 2009, p. 8, Professor David Battersby, Vice-Chancellor, University of Ballarat, *Committee Hansard*, 24 September 2009, p. 8 and Ms Barbara Lawrence, Director, Navigate, Central Queensland University, *Committee Hansard*, 10 November 2009, p. 27.

Interestingly, when it was first launched, the new funding model delivered us \$10,000 less as an institution with a 30 per cent regional loading than we had under the old...model. To tell you, frankly, we were a little disappointed with that outcome because, having gone through a fairly extensive strategic conversation with the Commonwealth where funding was an important element, essentially the regional loading arrangements initially did not help us.

...I understand that the Commonwealth Grants Commission has a factor of 54 per cent for secondary schools in the Northern Territory, which seems somewhat meaner to have a model based around 30 per cent for tertiary education.²⁸

4.35 In its response to the Bradley Review, the Australian Government stated it will 'examine the cost of providing quality teaching and research in regional Australia and a new, more logical basis for funding will be developed'.²⁹

4.36 Professor Graham Baker, Deputy Vice-Chancellor (Scholarship), University of Southern Queensland, outlined for the committee his proposal for changing the model for regional loading:

There may be alternative ways to restructure that loading so it stays with the universities, but follows a different principle. The current principle post Bradley has been to provide more support to students, to encourage more students to go to university, thereby giving university more funding. One might do the same thing with regional loading to encourage people out of cities into regional universities - not to let the bleed and the drain go the opposite way, but to encourage that migration, if I can put it that way, in a training sense.

...I think the principle of supporting students to attend university and structuring that so that, for us, it supports only those who choose to go to regional universities, because that is a bigger cost constraint or impost on them, would be a very good thing...I repeat: I would actually be in favour of an analysis that said, 'Let's openly take the regional loading and turn it into something that only would apply to students leaving metropolitan areas in order to enhance that capacity out in regional areas.'³⁰

28 Professor Charles Webb, Deputy Vice-Chancellor, Teaching and Learning, Charles Darwin University, *Committee Hansard*, 23 September 2009, p. 54.

29 Australian Government, *Transforming Australia's Higher Education System*, p. 40. Available at: <http://www.deewr.gov.au/HigherEducation/Pages/TransformingAustraliasHESystem.aspx>, accessed 16 November 2009.

30 Professor Graham Baker, Deputy Vice-Chancellor (Scholarship), University of Southern Queensland, *Committee Hansard*, 2 September 2009, pp 42 and 49.

4.37 The committee also notes the recommendation in the submission of Rural Health in the Northern Outback to the effect that regional universities that provide local access to comprehensive tertiary education should be better supported through Commonwealth funding:

Universities such as James Cook University provide access to tertiary education for students from remote locations in northern Australia. Universities such as these hold the key to sustaining and building rural and remote communities through the training of health, medical, teaching and other professionals. The good work of these universities should be recognised and supported through special funding grants designed specifically to support rural and remote student intake. Regional universities should also gain access to special research funding in order to retain and attract staff.³¹

Committee view

4.38 The current model of regional loading is clearly inappropriate and does not assist universities with adequate funding to subsidise the provision of courses in regional areas. There is clearly a significant level of dissatisfaction amongst providers at the operation of the current system.

4.39 The committee acknowledges the Government's intention to review the current system of regional loading. The committee would expect that the Government will take into account the concerns raised by tertiary providers in this inquiry in its review.

Attracting Students to Regional Institutions

4.40 The committee discussed with witnesses the ways in which rural and regional institutions might attract students to study there. Predominantly these discussions centred on the ways in which regional institutions might diversify and expand their course offerings and curriculum. Of particular interest to the committee was the feasibility of collaborations between universities and between universities and TAFEs. The potential role of improved communications technology and the rollout of the National Broadband Network were also discussed.

Collaboration between TAFEs and universities

4.41 The committee spent considerable time during the inquiry discussing with witnesses the potential for collaborations between TAFEs and universities as a means of expanding course offerings and improving the accessibility of education opportunities for students.

31 *Submission 559*, p. 21.

4.42 The committee notes the current policy reforms by the Australian Government aimed at restructuring and realigning the higher education and vocational education and training (VET) sectors:

...we need an education system that is less fragmented and easier for students to navigate. It should be straight forward for students to enter post-school education and move between vocational and higher education as appropriate to enhance their skills and qualifications.

Australia's VET and higher education systems have their own particular purposes.

...

Tertiary education in Australia should be a continuum of delivery, with better connections between sectors in both directions while avoiding one sector subsuming the other.

To make this happen, the Government will establish the Ministerial Council for Tertiary Education and Employment (MCTEE), with responsibility for higher education, vocational education and training, international education, adult and community education, the Australian Qualifications Framework, employment and broader youth policy.³²

4.43 The committee also notes the initiatives the Australian Government has put in place, particularly:

- The commissioning of the Australian Qualifications Framework Council to develop strategies to improve articulation and connectivity between the higher education and VET sectors.
- Funding for structural adjustment to support projects that will deliver greater sustainability, diversity and collaboration between institutions, with the potential to facilitate stronger connections between the higher education and VET sectors (see discussion above under the heading 'Structural Adjustment Fund').³³

4.44 In its submission to the committee, TAFE Directors Australia explained why TAFEs are well placed to provide delivery of courses in collaboration with universities:

In terms of its vast network of campuses and outreach centres across Australia, TAFE has a far greater footprint in remote and regional communities than universities. TAFE has the physical presence, the

32 Australian Government, *Transforming Australia's Higher Education System*, p. 43.

33 See Australian Government, *Transforming Australia's Higher Education System: Strengthening the Relationship Between Higher Education and Vocational Education and Training*, Factsheet 12, available at: http://www.deewr.gov.au/HigherEducation/Documents/PDF/Pages%20from%20A09-303%20Budget%20Fact%20Sheets-12_webaw.pdf, accessed 2 December 2009.

community profile and the infrastructure, making its participation critical to the achievement of government objectives in these areas.³⁴

4.45 Mr Chris Jones of Great Southern TAFE gave evidence to the committee that collaboration with universities was one of the priorities for his organisation:

Our next priority, and we have been doing some work on this, to develop agreements with universities to have diploma or advanced diplomas meet the requirements for the first year of the degree of that university - in that discipline, of course - and then have the second and third year of the degree delivered at Great Southern TAFE either under the auspices of or by the universities themselves.³⁵

4.46 Mr Jones also told the committee of the nature of the collaborations that Great Southern TAFE had with Curtin University for some courses:

...we have an agreement with Curtin where they deliver the second and third years of the Bachelor of Fine Arts degree. What happens is that they accept the Advanced Diploma of Fine Arts that is offered by Great Southern TAFE as fulfilling the requirements of their first year, so students who go through the first year of the Bachelor of Fine Arts here can then go on and enrol in the second-year university program. That is a good model. It is different from our arrangement with the Curtin School of Nursing. Essentially the college delivers the Bachelor of Science (Nursing) degree under their auspices, and they give us a payment per full-time-student equivalent. If you like, we recruit the staff, provide the facilities and everything. They do the moderation in Perth and make sure that the degree program's quality is fulfilled.

Our preference by and large is for the articulation model.³⁶

4.47 These models of course delivery have a number of advantages. For universities, they enable delivery of courses to a larger number of students, without requiring the funding for additional small university campuses to be established. For students, these models offer the opportunity for them to undertake at least part of their course while remaining at home.

4.48 Despite these advantages, there were a number of concerns raised with the committee regarding delivery of courses in this manner.

4.49 Mr Alex Cann, a member of the Albany Youth Advisory Council, was concerned that only a limited number of courses were offered this way and it was 'only part of a degree'.³⁷

34 *Submission 527*, p. 2.

35 *Committee Hansard*, 21 September 2009, p. 18.

36 *Committee Hansard*, 21 September 2009, p. 22.

37 *Committee Hansard*, 21 September 2009, p. 30.

4.50 Mr David Crouch, a member of Renmark High School Governing Council, commented that the population base in many centres would not support the delivery of a wide range of courses:

The Riverland has a population of about 30,000. It is never going to be able to support the delivery of the full range of courses locally. It just does not have the population base to do that. So, to the extent that we are talking about students who need to leave to access the course that they want, if it could be delivered locally that would be fantastic.³⁸

4.51 Mr Jones also explained to the committee that it can be difficult to get universities interested in collaborations:

We would dearly like to have a school of business from one of the universities offer the same model of delivery down here for students who graduate through our diploma or advanced diploma of accounting. It is very similar to the model that we have with the Curtin School of Nursing and Midwifery, except that rather than doing the whole degree they just do the final two years of the degree. There are a couple of ways that they could do that: they could auspice us to deliver it or in fact they could deliver it themselves using our facilities. So you have two models there.

But the truth of it is that if you look at the huge number of students that the schools of business at [Edith Cowan University], Curtin or Murdoch deal with in Perth and the focus that they have on overseas students, because overseas students are a significant cohort for them, it is very hard to get a focus when you are trying to say, 'Look, we want you to do all this work to set up a program that perhaps will service the needs of 12 to 15 students a year.' How many hours in the day they have to put towards this is the problem. I think it is a practical reason. It is not a question of not wanting to work with us or a dog-eat-dog situation. It is just a question of having all these priorities and 'Twelve students where?'³⁹

4.52 The committee also notes the submission of the TAFE Directors of Australia that it is more 'realistic' for TAFEs to collaborate with schools:

While there are some opportunities for collaboration with universities, across much of Western Australia, South Australia and Queensland, it is more realistic to consider the possibilities for combined programs and shared facilities with secondary schools.⁴⁰

Committee view

4.53 The committee sees great potential in collaborations between universities and TAFEs as a means for both institutions to expand the range of courses on offer and improve accessibility to these courses for students in rural and regional areas.

38 *Committee Hansard*, 23 September 2009, p. 79.

39 *Committee Hansard*, 21 September 2009, p. 24.

40 *Submission 527*, p. 6.

4.54 The committee accepts that collaborations between universities and TAFEs are not a means by which to provide regional areas with a full suite of university courses. Nevertheless, the committee's view is that models of course delivery founded on these collaborations have much to offer regional areas.

Collaborations between universities

4.55 The committee spent some time during the inquiry looking at the possibilities for universities to collaborate with each other to deliver courses as a means of expanding the range of courses offered at regional universities.

4.56 To this end, the committee notes the recommendation of the Bradley Review that the Australian Government commission a study to examine the feasibility of a new national university for regional areas and, if the study indicates that a new national regional university is feasible, the Australian Government provide appropriate funding for its establishment and operation.⁴¹

4.57 The Government has commissioned this feasibility study and stated that work on the feasibility study was to be completed by 2009.⁴² The committee notes that one of the universities involved in the feasibility study states in its submission that the study has concluded early.⁴³

4.58 The committee was told of a number of instances in which universities collaborate with each other in order to deliver courses. For example, the collaboration between the University of New England (UNE) and James Cook University (JCU) for the delivery of language courses:

We have a blended learning model where we are actually providing distance education language instruction from UNE in Armidale, New South Wales, at James Cook University in Cairns because they cannot afford to keep it. Together we could not afford to keep each of them but if we rationalised across the two then we could. Those courses are delivered from UNE to Cairns, but they are done on an economic basis. In other words, JCU pays us to do that and we share it economically.⁴⁴

4.59 Similarly, the University of Ballarat and Deakin University have established a collaboration for students to be able to enter into courses for medicine. Professor

41 Bradley Review, December 2008, Recommendation 17, p. 113.

42 See Australian Government, *Transforming Australia's Higher Education System: Strengthening Regional Higher Education Provision*, Factsheet 11, available at: http://www.deewr.gov.au/HigherEducation/Documents/PDF/Pages%20from%20A09-303%20Budget%20Fact%20Sheets-11_webaw.pdf, accessed 2 December 2009.

43 Charles Sturt University, *Submission 537*, p. 28.

44 Professor Alan Pettigrew, Vice Chancellor and Chief Executive Officer, University of New England, *Committee Hansard*, 2 September 2009, p. 54.

David Battersby, the Vice-Chancellor of the University of Ballarat, explained to the committee how the collaboration worked:

...we collaborate with Deakin University to take students into a biomedical science program as a mechanism to track them through into medicine either at Deakin or at any of the other universities in Victoria. Likewise, they can track into the other high-profile courses that are not available. I think that is quite a good mechanism for keeping students in regional communities as long as possible before they then move across.⁴⁵

4.60 The committee also briefly discussed with some witnesses the possibilities for 'rationalising' regional universities. The committee notes the views of one witness that this would limit the scope of individual universities:

A particular school or department will embrace a particular theoretical line. A school of business and law will develop a particular theoretical approach, which is adhered to. If universities are combined then it will limit the potential for those other two schools of business and law to develop a different theory and a different approach to innovation and the expansion of ideas.⁴⁶

4.61 The committee was also told that there was also an argument for the rationalisation of universities in metropolitan areas.⁴⁷

Committee view

4.62 The committee's view is that collaborative projects between universities can be beneficial to the institutions and for students. Despite only receiving evidence about a limited number of collaborations, the committee believes that this model of course delivery has great potential. However, the committee's understanding from the evidence it received is that there is more enthusiasm for university-TAFE collaborations as opposed to collaborations between universities.

4.63 By way of explanation for this, the committee notes the observation of Professor Alan Pettigrew, Vice-Chancellor and Chief Executive Officer of UNE, that current funding arrangements for universities promote competition rather than collaboration.⁴⁸

4.64 The committee encourages the Australian Government to consider whether, as part of compact negotiations with universities, there is a place for including funding for targets met in relation to collaboration with other universities. In the committee's

45 *Committee Hansard*, 24 September 2009, p. 6.

46 Ms Geraldine O'Flynn, President, tweedgoldcoastRs Association, *Committee Hansard*, 2 September 2009, p. 20.

47 Professor Paul Thomas, Vice-Chancellor and President, University of the Sunshine Coast, *Committee Hansard*, 2 September 2009, p. 53.

48 *Committee Hansard*, 2 September 2009, p. 54.

view, such provisions may go some way to further developing collaborative ventures between universities for the delivery of courses.

Blended delivery models

4.65 The committee sought feedback as to other initiatives which may assist regional institutions to expand their course offerings and attract more students. Initiatives that were suggested included a greater role for 'blended' delivery model for courses, given the proposed rollout of the National Broadband Network, lowering the Higher Education Contribution Scheme (HECS)- Higher Education Loans Program (HELP) debt for students who study at regional universities, and increasing the number of places for rural and regional students at regional institutions.

4.66 A number of witnesses spoke to the committee about the potential for 'blended' delivery model. Ms Barbara Lawrence of Central Queensland University explained to the committee what was meant by 'blended' delivery model:

It may be that, instead of enrolling a student as an internal student or an external student - or a flex student, or whatever they are called - we would try and enrol them as a blended student. That [means] that they have some face-to-face teaching. They might come in for a week, as in the old residential school type approach. They might be supplemented by the technology that is available, whether it is through podcasting or other things. So they are not an internal student. They do not get marked for being in class, they do not get marked for that level of participation. But they are not an external student, in that they have the access. So we have to look at different ways of doing that.⁴⁹

4.67 In this context, the committee also notes the comments by witnesses as to the importance of the rollout of the National Broadband Network to the delivery of courses which depend on information technology, such as interactive web conferencing.⁵⁰

4.68 A blended delivery model obviously overcomes some of the disadvantages that students have in relation to undertaking courses by distance, or external, delivery

49 *Committee Hansard*, 10 November 2009, p. 27. See also Professor Jennifer Nicol, Acting Pro-Vice-Chancellor, Faculty of Humanities, Curtin University of Technology, *Committee Hansard*, 21 September 2009, p. 52 and Professor Joyce Kirk, Pro-Vice-Chancellor Students, RMIT University, *Committee Hansard*, 11 November 2009, p. 10.

50 See for example Mrs Robyn Dyer, Institute Director, Barrier Reef Institute of TAFE, *Committee Hansard*, 10 November 2009, p. 35 and Professor Alan Pettigrew, Vice-Chancellor and Chief Executive Officer, University of New England, *Committee Hansard*, 2 September 2009, p. 45.

methods and enabling students to participate to some extent in what some witnesses described as the 'university experience'.⁵¹

4.69 The committee also heard some suggestions for attracting students to regional institutions, beyond simply expanding the course offerings of those institutions. For example Professor David Battersby, Vice-Chancellor of the University of Ballarat, explained to the committee that reducing the HECS-HELP liability for students studying at regional institutions might make regional institutions more attractive to students:

We asked in our submission: why doesn't the government build upon what it already does in relation to things like medicine? It is doing it already in relation to the training of early childhood teachers. If you go and teach in rural locations, part or all of your HECS liability will be met. Why wouldn't we want to think about...having a different set of HECS arrangements for those students who come to regional institutions? That could be an attraction to get more students out of the city and into regional locations.⁵²

4.70 As Professor Battersby explained to the committee, attracting students to study in regional areas increases the likelihood that they will remain in regional areas once they graduate:

As we know, if they come to regional communities to do their higher education, just slightly fewer than 50 per cent will stay on. There could be a different HECS arrangement, building upon what the Commonwealth has already done in relation to these matters.⁵³

4.71 The Committee for Ballarat suggested in its submission that more could be done to proactively encourage students to return to regional areas following graduation:

Examples of programs that may meet these conditions include:

...graduates who [return] to a regional location within a small number of years of graduation would be exempt from further HECS debt repayments; and/or

A graduate who returns to a regional location and establishes an independent business is offered targeted additional business development support to achieve early financial viability.⁵⁴

51 See for example Professor Phillip Steele, Pro-Vice-Chancellor, Campus Coordination, Campus Director Berwick and Peninsula, Monash University, *Committee Hansard*, 11 November 2009, p. 10.

52 *Committee Hansard*, 24 September 2009, p. 9

53 *Committee Hansard*, 24 September 2009, p. 9.

54 *Submission 630*, p. 4.

Committee view

4.72 The committee recognises the significant role that tertiary education institutions play in regional areas. This role goes beyond merely providing education outcomes for the region, and extends to economic and social benefits for the area.

4.73 Therefore, the committee is encouraged by the positive and innovative proposals being examined and implemented in relation to expanding course offerings at regional institutions and attracting students to regional areas.

4.74 As the committee noted before, expanding course delivery is not going to provide a solution for every student. However, it may provide the solution for many students.

4.75 The committee also believes that expanding the range of courses is not the only means by which regional institutions can attract students. The committee's view is that there is value in implementing measures which provide incentives for students to choose to study at regional institutions.

Recommendation 8

4.76 The committee recommends that the Australian Government investigate options for attracting students to regional institutions, and encouraging graduates to work in rural and regional locations, through programs which provide for reduced HELP-HECS liability.