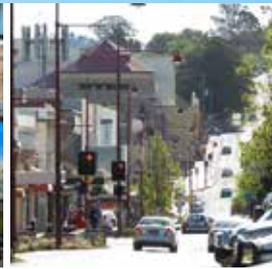


# Clever Regions, Clever Australia

POLICY ADVICE FOR AN  
INCOMING GOVERNMENT 2016

**run** Regional  
Universities  
Network

REGIONAL STRENGTH. NATIONAL SUCCESS.





# CLEVER REGIONS, CLEVER AUSTRALIA

Adequate funding for and recognition of the role of regional universities in regional development; better support for regional universities and students to produce more highly skilled university graduates in the regions; and enhancement of research and innovation in regional universities, including in partnership with industry, are key policy themes advocated by RUN to better connect regional Australia with the global, innovative economy.

## The RUN Policy Plan:

### Regional development

- A holistic approach to funding and policy should be adopted across Government portfolios with respect to the support for regional students, regional communities and regional universities.
- RUN seeks the development of a comprehensive new strategy that recognises the role played by regional universities in facilitating and strengthening regional development. As part of this:
  - ◊ Regional universities should be directly eligible for regional development funding; and
  - ◊ A strategic, regional and/or regional city-based approach should be adopted to bring together universities and industry along with local government, not-for-profit organisations and other key stakeholders. Models which could be followed include the UK's Cities Deals and/or Local Enterprise Partnerships.

### Teaching and learning

- RUN supports sustainable base funding in line with the findings of the 2011 Higher Education Base Funding Review, and strongly opposes a reduction in funding.
- RUN supports a review and enhancement of the regional loading for regional universities to deliver teaching and learning in regional Australia.
- Clinical placement funding must appropriately fund regional universities for clinical placements in regional, public (and private) health providers to ensure that the regions have an appropriately trained health workforce.
- The demand driven student system must be retained for bachelor places and expanded to sub-bachelor places to improve pathways to undergraduate study for those who are not adequately prepared to enter directly into a bachelor's degree. The system must not be capped, including via "soft caps".

### Supporting student success

- The Higher Education Participation Program should be retained and funding reinstated to at least the pre-2016 Budget level. Consideration should be given to options which will focus the program more effectively to make a significant difference in higher education participation by regional and low SES students.
- The performance of universities should be measured by the "value add" they provide to students.
- Universities should not be penalised for student attrition which would create perverse incentives to pass students.
- Funding needs to be restored to the Office for Learning and Teaching to at least pre-2016 Budget levels to enable ongoing broad-based support for innovation in teaching and learning.

### Higher Education Loans Program and Youth Allowance

- Regional students should be given adequate financial support to attend regional universities, including through Youth Allowance and the Higher Education Loans Program.
- Higher Youth Allowance funding could be considered for students to attend regional universities to build regional economies.

### Postgraduate places

- Commonwealth supported postgraduate places must be distributed equitably and should include support for areas of specific skills shortage and student demand in regional Australia.

### Distance education

- RUN supports initiatives to keep students online and accessing the internet via reliable, high speed connections.

## Infrastructure funding

- RUN supports a new infrastructure fund or loan facility, including for digital infrastructure and deferred maintenance, to enable regional and outer metropolitan universities to undertake transformative infrastructure investments.

## International students

- International students should be encouraged to study at regional campuses and to stay and work in regional Australia in areas of skills need. This could be achieved by:
  - ◇ Providing additional bonus points to students towards Australian residency for attending regional campuses, particularly for those studying in areas of regional skills need;
  - ◇ Extending the work rights of international students who study in non-metropolitan locations (RUN, for example, supports provision of an extra year on completion of undergraduate or post-graduate study);
  - ◇ Providing work rights to students who have completed a bachelor's or master's degree at a regional campus regardless of the duration of study; and
  - ◇ Provision of scholarships by AusAID for students to attend university in regional Australia.

## Research and innovation

- Regional universities must be adequately funded for research engagement with industry to drive regional development in the national interest. Support for university research engagement must address the heterogeneous mix of "industry" organisations in regional Australia. These include small-medium enterprises (SMEs), big business, not-for-profits, local and state government and community organisations. There is need for a comprehensive program which provides an incentive for regional universities and regional industry to connect to drive innovation in regional Australia.

- Government funding incentives should be provided for research students to go to regional Australia in areas of national priority to facilitate regional development. This could include working in partnership with regional industries e.g. industry PhD scholarships, focussing on SMEs and non-commercial partners, partly funded by Government and partly by partner organisations.
- RUN welcomes tax incentives to assist SMEs to invest in research and training. Tax incentives could be provided to companies to take on students as interns or to employ them as part of a PhD program.
- RUN welcomes initiatives to help start-ups in regional Australia.
- Regional universities must not be relatively disadvantaged by the new research block grant arrangements. Consideration should be given to looking at the proportion of funding raised from industry rather than the absolute dollar value.
- New measures of engagement and impact must be based on broader considerations than in pure monetary terms.

# What do Regional Universities do for Australia?

## **Regional Australia makes an important contribution to economic growth, national prosperity and productivity, and accounts for 40 per cent of total economic output.<sup>1</sup>**

There are many advantages related to living in regional Australia, including its towns and cities, some of which are affordability and liveability. Small cities can capture the upsides of cities without too many of the downsides and can be both highly productive and great places to live.<sup>2</sup> Four and a half million Australians live in Australia's small cities, and regional city population growth has been robust with rates ranging from 1.5-2.0 per cent per annum from 2002 to 2013. Every additional 100,000 Australians who choose small cities over big ones release an extra \$50 billion into the national economy through avoided housing and congestion costs.<sup>3</sup>

Regional universities enable the best use of regional human capital and resources and contribute to educational opportunities, economic prospects, innovation and community capabilities for the more than 30 per cent of Australians who live outside the capitals. They are one of the largest and most visible physical, intellectual, cultural and sporting assets in their regions and cities. Their teaching and learning activities, research and innovation and service functions contribute to: human capital development; regional governance and planning; community development; health and ageing; arts, culture and sport; environmental sustainability; and industry and business development. They provide leadership in stimulating positive change, and their staff and students play active and visible roles in their communities.

The six regionally-headquartered universities of the Regional Universities Network (RUN), CQUniversity, Federation University Australia, Southern Cross University, University of New England, University of Southern Queensland, and the University of the Sunshine Coast, all have strong links to their communities and enshrine a fundamental commitment to regional Australia. They make a major economic contribution. RUN universities contribute over \$2.1 billion in gross domestic product, \$1.2 billion in household income and more than 14,000 full-time equivalent jobs to the Australian economy annually.<sup>4</sup>

RUN universities have a combined revenue of about \$1.7 billion and combined assets of \$3.2 billion<sup>5</sup>, exceeding those of many metropolitan universities.

The Australian economy is moving from a heavy reliance on mining and manufacturing to a new era in which skills, knowledge and ideas will become our most precious commodities. By improving opportunities for people to access higher education, RUN universities help unlock the full human and innovative potential of regional Australia for the national good. The jobs and industries of the future will need highly skilled university graduates who can connect regional Australia with the global, innovative economy. We need to generate new jobs and industries through innovation to make regional economies more resilient. Through university study and research, students become more highly skilled, and are better prepared to be creative, entrepreneurial and flexible to meet future job challenges.

RUN universities teach around 110,000 students or around 9 per cent of enrolments at Australian public universities.<sup>6</sup> They educate just under a quarter of Australia's regional higher education students, 29 per cent of its distance education students, around 15 per cent of its low socio-economic status (SES) students, 16 per cent of its Indigenous students and 32 per cent of its students in enabling courses. Many students are first in family to attend university.

The majority of students at RUN universities do not come straight to university from school. Many have worked and/or undertaken post-school education prior to enrolling in undergraduate study. Many balance part-time university study with work and/or family commitments.

People who study in the regions largely stay in the regions to work. A study undertaken for RUN demonstrated that 60 – 80 per cent of employed, recent graduates of RUN universities were employed in regional Australia.<sup>7</sup> A report by Cadence Economics for Universities Australia has estimated that for every 1000 university graduates entering the workforce 120 new jobs are created for people without a university degree.<sup>8</sup> Regional universities therefore boost regional employment more broadly than just through their graduates.

1. Regional Australia Institute, 2015, *The economic contribution of regions to Australia's prosperity*.

2. Regional Australia Institute, 2016, *Deal or No Deal? Bringing Small Cities into the National Economic Agenda*.

3. Regional Australia Institute, 2016, *Deal or No Deal? Bringing Small Cities into the National Economic Agenda*.

4. Regional Universities Network, 2013, *Economic Impact of the Universities within the Regional Universities Network*, page 10

Available from [http://www.run.edu.au/cb\\_pages/news/Economic\\_Impact\\_Study.php](http://www.run.edu.au/cb_pages/news/Economic_Impact_Study.php).

5. Department of Education and Training, 2014, Finance 2014, Financial Reports of Higher Education Providers.

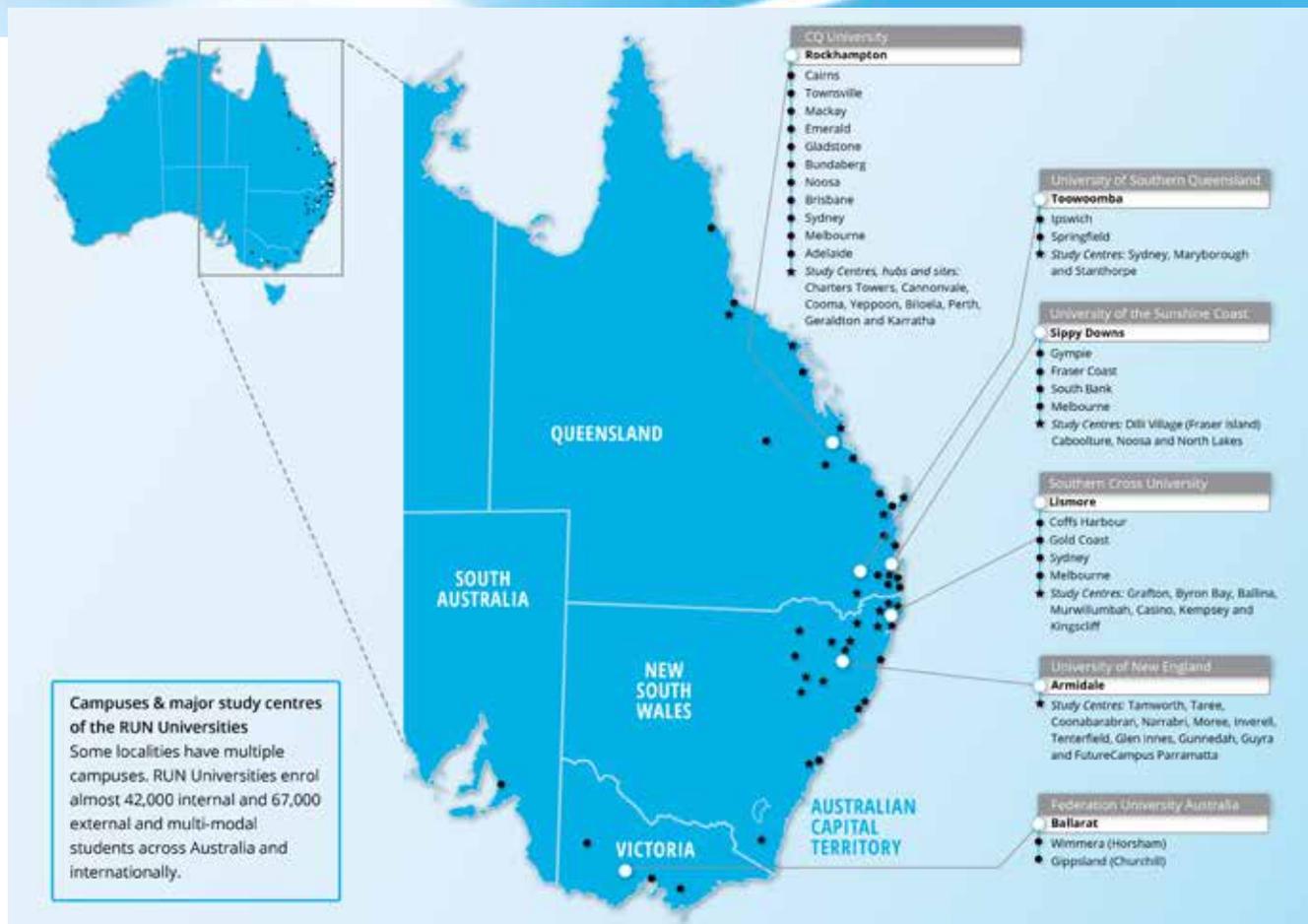
6. Department of Education and Training data, 2014.

7. RUN, 2013, *Economic Impact of the Universities within the Regional Universities Network*, page 10.

Available from [http://www.run.edu.au/cb\\_pages/news/Economic\\_Impact\\_Study.php](http://www.run.edu.au/cb_pages/news/Economic_Impact_Study.php).

8. Cadence Economics, 2016, *The Graduate Effect: Higher Education Spillovers to the Australian Workforce*. Report for Universities Australia.

Available from <https://www.universitiesaustralia.edu.au/Media-and-Events/commissioned-studies/The-graduate-effect-higher-education-spillovers-to-the-Australian-workforce>



**Fig 1. Location of RUN campuses and major study centres**

Regional universities are a great “value add” industry for the regions. Growing congestion in the capitals will cost Australians \$53 billion per annum by 2031<sup>9</sup>, and regional universities encourage the development and economic growth outside capital cities.

Many of RUN’s universities are significant distance education providers. Distance education diversifies regional economies, and runs counter to the cycles of other regional industries (e.g. agriculture) and reduces pressure on infrastructure in capital cities. It also provides students who would be unable to participate in on-campus study, with the opportunity to embark on higher education studies in a flexible manner that fits in their existing family, work and personal commitments.

RUN universities are working with schools and TAFEs demonstrating commitment to working in partnership at a community level for better pathways and educational outcomes for students. Two of our universities, CQUniversity and Federation University Australia, are dual sector institutions offering extensive certificate and diploma Vocational Education and Training programs. RUN universities are also leaders in mature age and professional education, educating people throughout their lives, and contributing to changing skills needs in the workplace.

Our universities perform a growing share of Australia’s highly ranked research, much of which is undertaken in close partnership with regional Australian industries and communities and which also has global relevance.

The quality of our research is nationally recognised, with key disciplines ranked at the highest international standards in the Excellence in Research for Australia (ERA) assessment, including:

- Agriculture, land and farm management; animal production; crop and pasture production; forestry sciences; geochemistry; geology; oceanography; environmental science and management; soil science; ecology; and zoology;
- Human movement and sports science; nursing; complementary and alternative medicine; other medical and health sciences; psychology and cognitive science; and
- Mathematical sciences including applied mathematics; and materials engineering.

RUN universities recognise the importance of translating research outputs to benefit Australians. Much of the research undertaken at RUN universities is applied and is performed in close partnership with the users of the research. We make a fundamental contribution to regional innovation.<sup>10</sup>

RUN is committed to strengthening its universities, their sustainability, engagement, performance and contribution to regional and national development. It is working towards these goals in a variety of ways, and proposes various initiatives to contribute to realising the full potential of regional universities and regional Australia.

9. Infrastructure Australia Audit, 2015.

10. RUN, 2015, *RUN research, regionally embedded, globally engaged*.

Available from [http://www.run.edu.au/resources/Research\\_Brochure\\_2015.pdf](http://www.run.edu.au/resources/Research_Brochure_2015.pdf).

# Policy Principles

As described in the Universities Australia Keep it Clever Policy Statement 2016, the policy settings needed to support a nimble, adaptive and flexible university sector to meet the expectations of its students, the community and employers are:

- Accessibility;
- Affordability;
- Quality;
- Research capability;
- Resourcing;
- Accountability;
- Autonomy; and
- Policy stability.

RUN urges support for relevant policy measures in the context of regional universities.

These will include policies to assist regional universities in their role of promoting regional development through the enhancement of human capital, research, innovation and service to their communities and the nation.

Further, we strongly support university autonomy and the ability of institutions to respond quickly and flexibly to changing circumstances. We do not consider that the compacts framework adequately supports these requirements.

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## Policy Plan

**Despite the gains in higher education participation of low SES students and regional students in recent years due to the demand driven student system, the fundamental inequality in educational participation in regional Australia when compared to metropolitan areas has still not been satisfactorily addressed. The proportion of people from regional and remote Australia who participate in higher education continues to decline in relative terms.**

It is in the national interest to provide adequate support to regional universities and students to address educational inequality.

Regional universities provide the only realistic option for many regional students to attend university. These students are tied to their communities for reasons of

personal, family and work commitments, and financial circumstance. If regional universities are not adequately supported, many students will be disenfranchised.

As well as their role in providing skilled graduates, regional universities play a fundamental role in regional development, research and innovation and growing regional economies.

The following policy plan, shaped by the issues outlined above, is proposed to better connect regional Australia with the global, innovative economy through:

- Adequate funding for and recognition of the role of regional universities in regional development;
- Better support for regional universities and students to produce more highly skilled university graduates in the regions; and
- Enhancement of research and innovation in regional universities, including in partnership with industry.

# Regional Development



## **Australia's regional universities play a key role in developing regional economies, and contributing to the social and cultural development of their regions.**

They are one of the largest and most visible assets in their regions, and make a significant contribution through their teaching and learning activities, research and innovation, and service functions.

Given the fundamental role regional universities play in the development of the regions, a holistic, joined-up approach should be adopted with respect to relevant government policy and funding. This approach should encompass the education, industry, innovation, science, regional development and health portfolios to ensure maximum impact. The combination of the regional development, regional health and regional communications portfolios under a single Federal Minister in February 2015 is an example of how a more integrated approach can be achieved. Another example is the formation of a Cabinet committee in late 2015 comprising Ministers from a wide range of portfolios to implement the National Innovation and Science Agenda.

- **A holistic approach to funding and policy should be adopted across Government portfolios with respect to the support for regional students, communities and regional universities.**

While the current approach to regional development brings together various players in the regions, RUN calls for a more strategic and integrated policy which includes more formal recognition of the key role that regional universities play.

The Regional Australia Institute<sup>11</sup> has advocated for "City Deals", which would include regional cities, similar to a UK initiative.<sup>12</sup> City Deals are negotiated agreements between a government and a city that give the city the means to: take charge and responsibility for decisions that affect its area; take action to help businesses to grow; create economic growth; and decide how public money should be spent. City Deals are an agreed set of coordinated actions across governments and other key local players. They are focused on growth and development outcomes, and come with the resources needed to drive these ambitions.

Another model that has been applied in the UK is Local Enterprise Partnerships which are partnerships between business and local authorities in a region.<sup>13</sup> They are led by business and have mandatory, high level university representation.

Either model, or both in combination, would provide a flexible framework for individual cities or regions. Both models recognise the key role of regional universities, and the integration of their activities into a future plan for development.

- **RUN seeks the development of a comprehensive new strategy that recognises the role played by regional universities in facilitating and strengthening regional development. As part of this:**
  - ◊ **Regional universities should be directly eligible for regional development funding; and**
  - ◊ **A strategic, regional and/or regional city-based approach should be adopted to bring together universities and industry along with local government, not-for-profit organisations and other key stakeholders. Models which could be followed include the UK's Cities Deals and/or Local Enterprise Partnerships.**

11. Regional Australia Institute, 2016, *Deal or No Deal? Bringing Small Cities into the National Economic Agenda*.

12. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/221009/Guide-to-City-Deals-wave-1.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221009/Guide-to-City-Deals-wave-1.pdf).

13. <http://www.lepnetwork.net/>

# Teaching and Learning

**Regional Australia is characterised by lower rates of higher education participation than in our capital cities. This is an important equity issue for the individuals concerned and has implications for the economic development of their communities.**

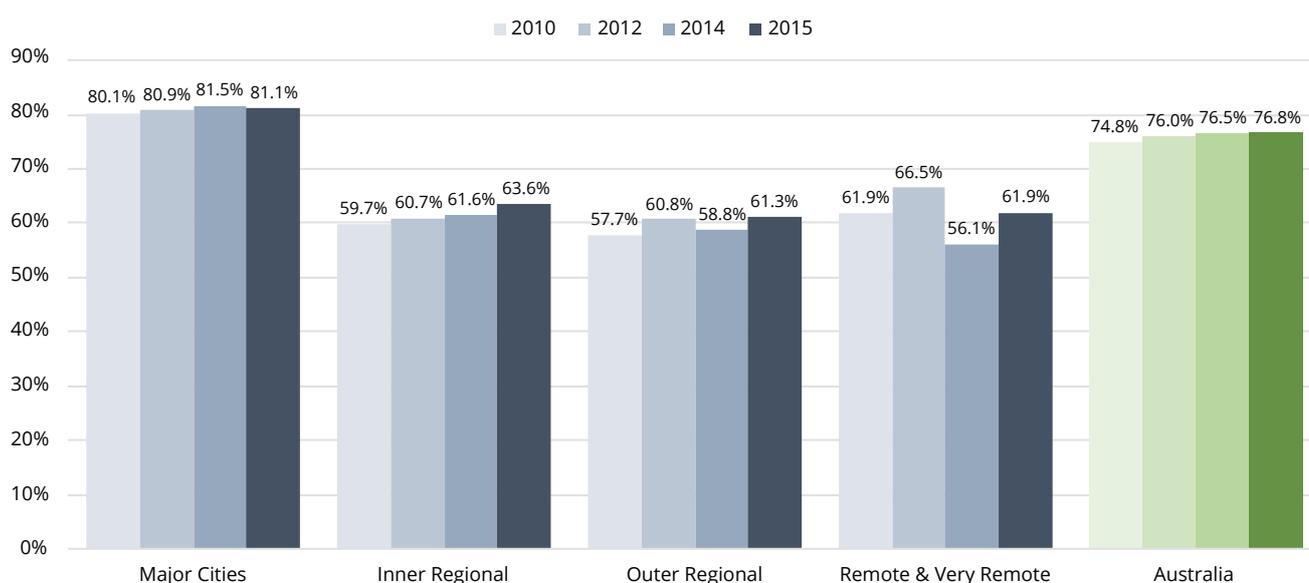
The gap has started to narrow in recent years, largely due to the introduction of the demand driven system of student funding in 2012 which allows universities to enrol as many eligible students as they wish in bachelor degrees. However, the proportion of the working age population with Year 12 and bachelor degree or higher attainment levels still remains significantly lower in regional and remote areas when compared to major cities.<sup>14</sup> In 2014, about 15-19 per cent of working age Australians living in regional and remote areas held a bachelor degree or above (there are lower levels of attainment with increasing distance to major cities) compared with around 33 per cent of the population in major cities.

In 2015, the proportion of persons aged 25-34 years with Year 12 or above was above 80 per cent in major cities and between around 61 to 64 per cent in regional

Australia.<sup>15</sup> The proportion of 25-34 year olds with a bachelor degree or above in major cities was about 42 per cent compared to around 21 to 18 per cent in regional Australia (becoming lower further away from major cities). Significantly, the proportion of regional Australians with a bachelor's degree or above in inner and outer regional areas has marginally declined from 2014 to 2015.<sup>16</sup>

Increasingly, there will be the need for more highly skilled workers who are university graduates as automation take over more low skilled jobs. Within two decades, more than 40 per cent of Australian jobs that exist today may disappear as technology reshapes entire industries, professions and work practices.<sup>17</sup> Regional Australia will be the worst affected part of the nation, due to the high proportion of low skilled jobs. The regions need more highly skilled, university-trained professionals to drive the innovative industries of the future.

It is therefore vital that increased Year 12 completion and university participation continues to be a priority in regional Australia, and that regional universities are adequately supported in the task of supporting the success of regional students in their studies.



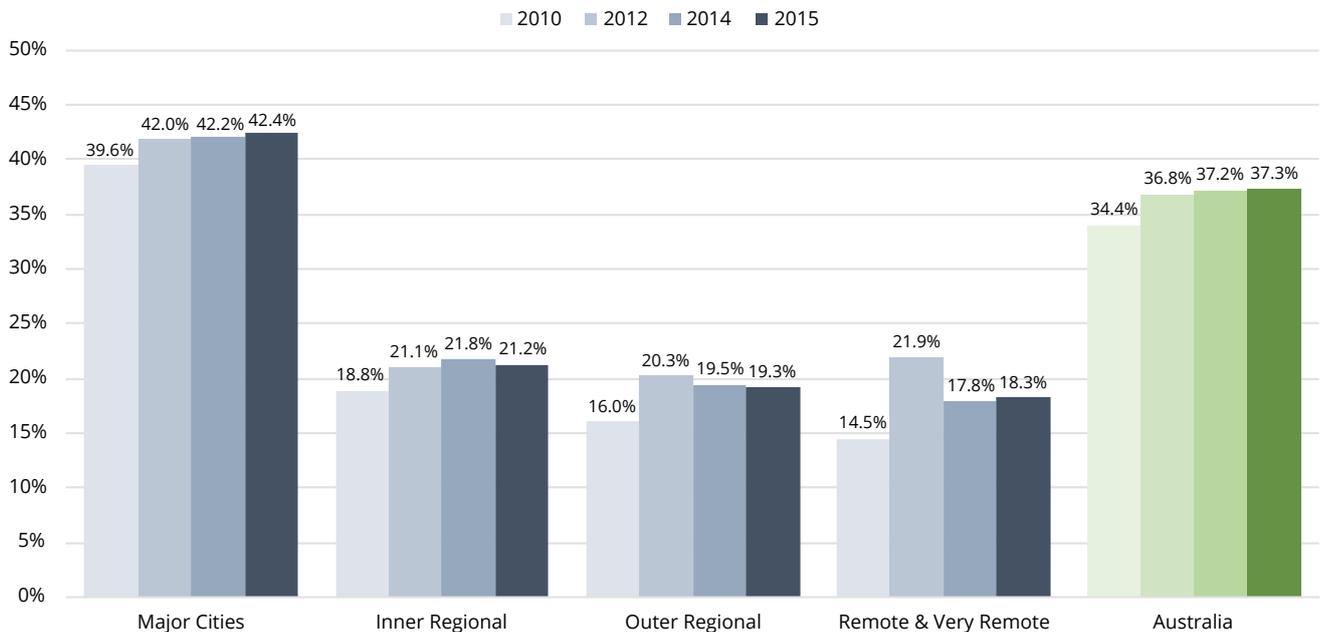
**Fig. 2 The proportion of persons aged 25-34 years with Year 12 or above, by remoteness area, year (based on Australian Bureau of Statistics data)**

14. Australian Bureau of Statistics, 2014, *Education and Work 2014* Cat no. 6227 – analysis based on data downloads.

15. Australian Bureau of Statistics, 2015, *Education and Work Australia*, May 2015. Analysis based on data cubes 2 and 7.

16. Australian Bureau of Statistics, 2015, *Education and Work Australia*, May 2015. Analysis based on data cubes 2 and 7.

17. Durrant-Whyte, H, McCalman, I, O'Callaghan, S, Reid, A, & Steinberg, D, 2015, "The impact of computerisation and automation on future employment", in *Committee for Economic Development of Australia, Australia's Future Workforce?*, CEDA, Melbourne, p.58.



**Fig. 3 The proportion of 25-34 year olds with a bachelor degree or above, by remoteness area, year (based on Australian Bureau of Statistics data)**

### Base Funding

Regional universities must have sustainable funding to adequately support our students, communities and the development of regional Australia.

The 2011 Higher Education Base Funding Review<sup>18</sup> confirmed the principle that base funding is provided to support universities in their fundamental role of providing teaching and learning informed by scholarship and a base capability in research, within appropriately resourced facilities. It found that some disciplines, including accounting, administration, economics, commerce, medicine, dentistry, agriculture, veterinary science, visual and performing arts, law and humanities were underfunded. It considered that there was no conclusive evidence that any disciplines were overfunded.

As well as supporting the activities identified by the base funding review, in the case of regional universities base funding is also used to support regional development activities.

RUN therefore strongly opposes any reduction in funding to the Commonwealth Grant Scheme. Such a reduction would severely impact on the ability of regional universities to serve their students, communities and regional Australia for the national good.

- **RUN supports sustainable base funding in line with the findings of the 2011 Higher Education Base Funding Review, and strongly opposes a reduction in the funding.**

### Regional Loading

The regional loading to assist regional universities deliver teaching and learning in regional Australia was last reviewed in 2013.

RUN universities service diverse regions using a range of delivery models. We note that not all universities with a regional student base are considered eligible for regional loading under the current arrangements. It is now timely to assess the effectiveness and scope of the loading in the context of broader policy reforms.

A particular issue for RUN is that regional universities only receive half the regional loading funding for distance as opposed to on-campus students. This arrangement does not recognise that it is more expensive to teach distance students in regional Australia. In many instances, our universities support distance learning with face-to-face support at study centres in a variety of locations.

- **RUN supports a review and enhancement of the regional loading for regional universities to deliver teaching and learning in regional Australia.**

## Clinical Placement Funding

It is vital that there is adequate funding for clinical placements for regional university students in regional Australia.

RUN nursing and allied health students largely undertake their clinical placements with public health providers. Clinical placement funding must provide our institutions with appropriate funding to continue these placements, which are vital to ensuring that regional Australia has an adequate and appropriately trained health workforce.

We are concerned that the decision in late 2015 to cease the Clinical Placement Fund and expand the Rural Health Multidisciplinary Training program will disadvantage regional universities and their students.

- **Clinical placement funding must appropriately fund regional universities for clinical placements in regional, public (and private) health providers to ensure that the regions have an appropriately trained health workforce.**



## Demand Driven Student Places

The uncapping of student places through the demand driven student system has assisted RUN universities increase the number and proportion of low socio-economic status (SES) and regional students:

- in 2013, 32 per cent of RUN universities' commencing, domestic, undergraduate students were from low SES backgrounds and their enrolments had increased by 26 per cent between 2009 and 2013; and
- enrolments by students from regional and remote backgrounds at RUN universities grew by 18.5 per cent between 2009 and 2013 (RUN, 2014).<sup>19</sup>

Continuation of the demand driven student system

for undergraduate places is vital to further develop educational opportunities for regional communities, to ensure an adequate supply of professionals working in the regions, and to help address the social and economic disadvantages faced by many regional communities.

RUN strongly supports the retention of the demand driven system for bachelor places at universities, and its extension to sub-bachelor places, including diploma, advanced diploma and associate degree courses.

The restriction in the number of sub-bachelor places is a major impediment to allowing our universities to respond to the needs of our students and communities. It discriminates against disadvantaged students who are more likely to gain from a supported learning environment and perpetuates a pattern of directing a disproportionate share of funding towards high and medium SES students. The funding of sub-bachelor places should therefore be entirely demand driven to fully address the need among less well prepared students, and maximise their chances of success when undertaking bachelor degrees.

We oppose any capping of demand driven places, either by imposing a system of "hard caps" on places (the Commonwealth determining the number of Commonwealth Supported Places a university may have in various courses) or by the introduction of "soft caps". (Soft caps would constitute an agreement between the Commonwealth and a university on growth in student places, negotiated through compacts. They could include restrictions on the Australian Tertiary Admission Rank (ATAR) of students accepted for study, or limitations on growth in student numbers in various courses as informed by the labour market.)

We oppose a scenario where the demand driven system was retained for students with high ATARs, and soft caps applied to others. This would run counter to the long held proposition that universities themselves are in the best position to judge who should enter universities. To allow any government a role in selection of students by any means creates very dangerous precedents.

- **The demand driven student system must be retained for bachelor places and expanded to sub-bachelor places to improve pathways to undergraduate study for those who are not adequately prepared to enter directly into a bachelor's degree. The system must not be capped, including via "soft caps".**

19. RUN, 2014, unpublished, from Department of Education student data.



## Supporting Student Success

### **Our universities are making every effort to support students who may not be well prepared for university study.**

RUN has signed on to become an observer with the US-based University Innovation Alliance (UIA) network, a group of 11 research universities developing, testing and scaling new initiatives to improve student success. We have explored with UIA the use of predictive analytics to identify students at risk and methods to proactively intervene to assist them. The two networks share a commitment to improving university outcomes for students regardless of socio-economic background, and both have a relatively large proportion of students who are first in family to university, and low SES.

Building on extensive work in student retention over many years, RUN has committed to further promote student retention and success through the establishment of a Student Success Innovation Cluster. The network has provided support for six innovative projects, totalling around \$120,000 in combined funding. The projects will build on institution-wide efforts to retain students, and will focus specifically on using real-time learning analytics for improving student outcomes, engaging with distance education and enhancing the experience of commencing students. However, continuing Government support is vital to further encourage activities to raise the aspiration of students to attend university and to provide additional support and encouragement to help them succeed in their studies.

The Higher Education Participation Program (HEPP), designed to increase and support the participation in higher education of students from low SES backgrounds at university, has assisted both regional students and regional universities. Outreach activities to schools and community groups have been funded to raise aspiration for university study, and a range of activities, including special projects, funded to support improved student outcomes, engaging with students and enhancing the student experience.

HEPP was cut by about 20 per cent over the forward estimates in the 2016 Budget. We strongly support reinstatement of the funding lost from the program to at least the pre-2016 Budget level, and the consideration of options to focus it more effectively to make a significant difference in higher education participation by regional and low SES students.

- **The Higher Education Participation Program should be retained and funding reinstated to at least the pre-2016 Budget level. Consideration should be given to options which will focus the program more effectively to make a significant difference in higher education participation by regional and low SES students.**

While a majority of students will successfully complete university, not all will. Mature age part-time students, who are the majority of students at RUN universities, have to deal with the complexities of juggling their studies

with their roles as parents, caregivers and workers. A significant number of students defer their studies for reasons unrelated to the quality of their courses or the support they receive. Most will recommence at a later date. While many students succeed at university, some do not finish, but their lives and prospects are nonetheless enriched by the experience.

- **The performance of universities should be measured by the “value add” they provide to students.**
- **Universities should not be penalised for student attrition which would create perverse incentives to pass students.**

Universities are an important ‘value-add’ industry and graduates are the key to economic growth and innovation. The quality of teaching and learning needs to be appropriately valued and rewarded, alongside research, innovation and service.

Government support and recognition for quality university teaching is vital to promote student success at regional universities.

Teaching and learning is of great importance to RUN universities. While we excel at supporting our students, our endeavours must be recognised, encouraged and sustained by appropriate programs, projects and awards. Adequate funding for projects must be available to help ensure that our universities are able to address the issues of importance to our student cohort. The decision in the 2016 Budget to cut \$20.9 million from the Office for Learning and Teaching over the forward estimates will restrict its activities to funding awards and citations.

- **Funding needs to be restored to the Office for Learning and Teaching to at least pre-2016 Budget levels to enable ongoing broad-based support for innovation in teaching and learning.**

# Higher Education Loans Program & Youth Allowance

**Regional students should be given adequate financial support to attend university. Youth Allowance and the Higher Education Loans Program (HELP), with its deferrable loan repayment system, are fundamental to achieving this goal.**

It is important that, in an environment of rising doubtful debt<sup>20</sup>, the integrity of the HELP scheme is maintained, and the access of regional students to the scheme is encouraged. We note that a significant proportion of the recently accumulated doubtful debt has been from loans to the Vocational Education and Training sector.<sup>21</sup>

Higher Youth Allowance funding could be considered for students to attend regional universities to build regional economies.

- **Regional students should be given adequate financial support to attend regional universities, including through Youth Allowance and the Higher Education Loans Program.**
- **Higher Youth Allowance funding could be considered for students to attend regional universities to build regional economies.**

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## Postgraduate Places

**RUN considers that it is important to address inequities in the distribution of Commonwealth supported postgraduate coursework places that have developed over time. The allocation of these places is a function of historic circumstance and lacks transparency and coherence. At the national level, in 2014 around 40 per cent of domestic postgraduate coursework places were supported by the Commonwealth, but the proportion of domestic supported coursework places at individual institutions ranged from about 14 per cent to around 91 per cent.**<sup>22</sup>

There is currently no effective mechanism to address the current situation which disadvantages postgraduate students at universities with a low share of supported postgraduate places. The lack of such places means these universities are less attractive to students and the universities' capacity to undertake systematic long-term planning, pending the outcome of negotiations with the Commonwealth over places, is compromised. The current inflexibility regarding the allocation of postgraduate

places funded by the Commonwealth remains a major impediment to allowing universities to respond to the needs of their students, regional communities and other stakeholder groups.

As a matter of principle, RUN considers that Commonwealth supported postgraduate places should be directed to areas of specific skills shortage and student demand, noting that regional Australia may have specific skills needs that are not necessarily reflected at a national level. A demand driven system for such courses should be considered.

- **Commonwealth supported postgraduate places must be distributed equitably and should include support for areas of specific skills shortage and student demand in regional Australia.**

20. Andrew Norton, 2015, Doubtful debt: the rising cost of student loans. Grattan Institute.

21. Parliamentary Budget Office additional report, 2016, HELP: Impact on the Budget.

22. Department of Education and Training data, 2014, provided to RUN.

# Distance Education

**Affordable and reliable high speed internet access must be available to regional students. Distance education is a sophisticated service industry exported from regional Australia to around the nation and more widely. Some of RUN's institutions continue to pioneer innovation in distance learning.**

Distance education and blended/flexible learning are ideal for regional universities as they circumvent the need for students to relocate in order to study. The regulatory

environment needs to promote rather than stifle distance education and blended/flexible learning. Re-definition of the modes of delivery is long overdue.

- **RUN supports initiatives to keep students online and accessing the internet via reliable, high speed connections.**

# Infrastructure Funding



**RUN supports a new infrastructure fund or loan facility to enable regional and outer metropolitan universities to undertake transformative infrastructure investments notwithstanding issues relating to the disposal of infrastructure at the state level.**

Smaller universities have difficulty in generating sufficient cash surpluses to invest in larger scale infrastructure projects to assist them in adapting to local market conditions, improve their long-term viability and enhance the student experience. Finding funding to address deferred maintenance is also an issue. Coupled with this, less "elite" and younger universities are less able to attract substantial philanthropic funding, either to fully fund or co-invest in major teaching and/or research projects. The

Education Infrastructure Fund (EIF) and the Structural Adjustment Fund (SAF) provided significant infrastructure funding to regional universities which would not have been otherwise available.

Increasingly, universities need to invest in their IT infrastructure. This is partly to meet student expectations about flexible modes of delivery, as well as multiple locations and a substantial number of students studying externally. Investment in IT infrastructure is a regular call on an institution's funds, and can be exacerbated by uncertainty of future teaching methods. It can be difficult to obtain external borrowings for this type of investment as there is no physical asset to back the security.

The non-financial benefits of the SAF/EIF infrastructure reflect the important social and community engagement roles regional universities play in their local communities. Regional universities have a strong commitment to addressing educational and other disadvantage many rural communities face.

- **RUN supports a new infrastructure fund or loan facility, including for digital infrastructure and deferred maintenance, to enable regional and outer metropolitan universities to undertake transformative infrastructure investments.**

# International Students

**RUN supports greater international student enrolment in regional universities. We note that one of the key actions under the National Strategy for International Education is promoting opportunities in regional Australia for international students.<sup>23</sup> The strategy indicates that “there are significant opportunities for international student growth in regional Australia”.**

RUN universities want to encourage more international students to study outside capital cities. International students at our regional campuses record satisfaction levels as good as or better than those at metropolitan-based universities.

Smaller campuses and smaller class sizes mean better access to lecturers, more opportunity to make friends, and generally a more supportive learning environment. Students generally enjoy lower accommodation costs than in metropolitan areas, and there are opportunities for part-time work while studying. International students provide increased student numbers in science, technology, engineering and mathematics disciplines which are not necessarily in demand from domestic students. They can therefore potentially fill areas of skills shortage in regional Australia.

Furthermore, international students diversify regional communities, and facilitate and enrich cultural development. Our communities are welcoming of international students, who can potentially help to fill areas of skills shortage in the regions.

While there are at present some incentives for students to study in the regions, including extra points in the Department of Immigration and Citizenship’s points test for skilled migration, RUN calls for implementation of further incentives to enhance international student recruitment to regional campuses.

These could include the funding by AusAID of scholarships for students to study in regional Australia.

- International students should be encouraged to study at regional campuses and to stay and work in regional Australia in areas of skills need. This could be achieved by:
  - ◇ Providing additional bonus points to students towards Australian residency for attending regional campuses, particularly for those studying in areas of regional skills need;
  - ◇ Extending the work rights of international students who study in non-metropolitan locations (RUN, for example, supports provision of an extra year on completion of undergraduate or post-graduate study);
  - ◇ Providing work rights to students who have completed a bachelor’s or master’s degree at a regional campus regardless of the duration of study; and
  - ◇ Provision of scholarships by AusAID for students to attend university in regional Australia.





## Research and Innovation

**Outstanding, world class fundamental and applied research is undertaken by RUN universities in areas of regional, strategic relevance and global significance. Our universities also have a broad, world standard research capacity which provides a robust basis for innovation in regional Australian industries and communities.**

RUN universities have a growing share of Australia's highly ranked research, much of which is undertaken in close partnership with regional Australian industries and communities. Regional universities are well placed to drive innovation in their local communities and maintain a concurrent global vision. Research is a key part of being a university – without this, many benefits would be lost to regional Australia. Research at RUN institutions attracts academics of world renown, builds institutional quality and capacity, including in teaching and learning, gives undergraduate students broad exposure to a vibrant research environment, is essential for the training of research students, creates a pool of research-trained professionals, and supports and contributes to regional industries, innovation and commercial activities.

Both fundamental and industry-focussed research and innovation should be encouraged in regional Australia and an appropriate balance maintained.

RUN has experienced remarkable growth in the excellence of the research conducted by our members. Compared to Excellence in Research for Australia (ERA) 2012, ERA 2015 shows about a three-fold increase in disciplines rated well above world standard, a more than a six-fold increase in disciplines rated at above world standard, and a one-and-a-half-times increase in fields rated as at world standard.

RUN universities have received the highest rating in ERA 2015 (5, well above world standard) in areas such as: agriculture and veterinary science, including agriculture, land and farm management, animal production, and crop and pasture production; forestry sciences; fisheries; ecology; zoology; environmental science and management, including soil science; geochemistry and geology; oceanography; human movement and sports science; nursing; complementary and alternative medicine; other medical and health sciences; psychology and cognitive science; mathematical sciences, including applied mathematics; and materials engineering.

Research rated as above world standard (4) includes: earth sciences, biological sciences, including evolutionary biology; pure mathematics; artificial intelligence and image processing; civil and mechanical engineering; resources engineering and extractive metallurgy; medical and health sciences and psychology.

Our universities have achieved world standard (3) in a wide range of fields including in education; tourism; chemical sciences; creative arts and writing; philosophy; human geography; political science; law; language, communication and culture; linguistics; history and archaeology; and historical studies.

The RUN universities are working together to progress research and innovation in regional Australia areas of vital national and international importance - food and water security.

The RUN Precision Agriculture Flagship focusses on using technology and data to assist farmers, in an environment of variable climate, volatile and discerning markets, and the need for a highly skilled workforce.

We are developing a Water Landscape Futures Flagship to look at long-term water challenges from a multi-disciplinary perspective, including the increasing pressure on water supplies, and issues around water quality.

The Government's National Innovation and Science Agenda and the Australian Labor Party's Getting Australia Started initiatives on innovation are welcome. Every effort should be made to facilitate collaboration between regional universities and regional industry in a strategic and comprehensive manner. Initiatives to support regional accelerators and incubators should be genuinely focussed on areas outside capital cities.

Regional industry, which includes many small to medium enterprises (SMEs), must be further incentivised to collaborate with universities in research and innovation. Tax concessions for these enterprises are a good start. There could also be tax incentives for companies to fund student internships or employ research students in regional Australia. We face the additional challenge in regional Australia that many State Government bodies do not invest significantly in research and innovation.

There is need for a comprehensive program, following on from the Collaborative Research Networks Program which was aimed at increasing the research capacity of smaller and regional universities through collaboration, which provides incentives for regional universities and regional industry to connect to drive innovation in regional Australia.

RUN is committed to strengthening higher degree by research training in regional Australia, including in collaboration with industry.

- **Regional universities must be adequately funded for research engagement with industry to drive regional development in the national interest. Support for university research engagement must address the heterogeneous mix of "industry" organisations in regional Australia. These include small-medium enterprises (SMEs), big business, not-for-profits, local and state government and community organisations. There is need for a comprehensive program which provides an incentive for regional universities and regional industry to connect to drive innovation in regional Australia.**
- **Government funding incentives should be provided for research students to go to regional Australia in areas of national priority to facilitate regional development. This could include working in partnership with regional industries e.g. industry PhD scholarships, focussing on SMEs and non-commercial partners, partly funded by Government and partly by partner organisations.**
- **RUN welcomes tax incentives to assist SMEs to invest in research and training. Tax incentives could be provided to companies to take on students as interns or to employ them as part of a PhD program.**
- **RUN welcomes initiatives to help start-ups in regional Australia.**
- **Regional universities must not be relatively disadvantaged by the new research block grant arrangements. Consideration should be given to looking at the proportion of funding raised from industry rather than the absolute dollar value.**
- **New measures of engagement and impact must be based on broader considerations than in pure monetary terms.**



