

## **Regional Universities Network response to issues raised during by members of the Senate Rural and Regional Affairs and Transport References Committee during the hearing on regional capitals**

The following response is provided by the Regional Universities Network (RUN) to address issues that were raised during the hearing of the Senate Rural and Regional Affairs and Transport (RRA&T) References Committee in Townsville on 16 February 2016:

- Claims made in the Grattan Institute's 2011 report *Investing in regions: Making a difference*<sup>1</sup> that regional universities:
  - Do not encourage additional productivity-enhancing innovation by local firms;
  - Do not promote higher rates of tertiary education participation and attainment; and
  - Do not help retain more skilled young people in the region. Given this finding, tertiary participation among regional school-leavers could be increased at a lower cost – and potentially provide more opportunities for regional students – if the resources were redirected to provide assistance to regional students to move away to study; and
- Data on retention by graduates of regional universities within regional Australia.

### **1. Responding to claims made in the Grattan Institute report regarding the impact of regional universities**

The Grattan report has attracted considerable interest largely due to its controversial findings and recommendations with respect to regional universities. Many commentators, including the Vice-Chancellors of many regional universities, have raised serious concerns with the report. The former Chair of RUN, Professor David Battersby, claimed that “the report's evidence was selective and sometimes contradictory”.<sup>2</sup>

Cruse et al,<sup>3</sup> assert that the report's findings and policy recommendations are seriously flawed. Its shortcomings are due to a poor understanding of how regional universities operate leading to poor selection of appropriate data, and deficiencies in the modelling undertaken to support their arguments.

John Rolfe writing in *The Conversation*<sup>4</sup> asserts that there are at least three major problems with the analysis in the Grattan report:

- The Grattan analysis appears to confound regional universities with inland universities. The Grattan report notes that the highest annual rates of population growth in Australia are in capital city satellites and coastal cities, outstripping capital cities and inland cities. Rolfe notes that most regional universities are located in these types of cities.
- The assertion that private sector growth rates for cities without universities is often higher than for comparable cities with universities doesn't hold up to scrutiny. Regional economies are complex and driven by a range of factors and sectors, so confounding effects overwhelm the very small numbers of comparisons that are given.
- The assertion that graduate retention rates are no higher in university cities than non-university cities is flawed. The Grattan analysis is conducted at the statistical sub-division level, akin to expecting that university graduates will not move away from the suburb where they have completed their degree. Regional universities focus on educating people for professional vocations in areas such as accounting, engineering, health and education, and those graduates then disperse across regional areas in their careers. Educating people to be mobile and fill skilled positions across regional areas is actually a measure of success for regional universities, not a failure.

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<sup>1</sup> Daley, J and Lancy, A (2011) *Investing in regions: Making a difference*, Melbourne, Grattan Institute, pages 30-38

<sup>2</sup> David Battersby cited in an article by Jill Rowbotham in *The Australian* of 24 May 2011 titled *Regional VCs Slam Grattan Institute report*

<sup>3</sup> Cruse, L, O'Keefe, S and Dollery, B (2011) *Nuances of Regional Growth and its Public Policy Implications: Some Comments on the Flaws in the Grattan Institute's Investing in Regions; Making a Difference Report*, in *Economic Papers*, Volume 3, number 4, from page 481-489

<sup>4</sup> Rolfe, J (2011) *It's flawed to suggest investing in regional universities is a waste* in *The Conversation*, 26 May 2011 available at <http://theconversation.com/its-flawed-to-suggest-investing-in-regional-universities-is-a-waste-1467>

The Australian Council for Educational Research (ACER) published a research briefing paper *Higher education and community benefits: The role of regional provision*.<sup>5</sup> The paper brings together recent ACER research on the role of regional universities and their impact on students and their communities. It also addresses some of the Grattan report's findings. Some of the findings of relevance to the Grattan report include:

- Regional HEIs provide both economic and social benefits to regional areas and play a key role in sustaining regional communities;
- Employed graduates of regional higher education institutions (HEIs) are likely to remain in regional areas - 65.7% of graduates from regional HEIs remain in regional areas for employment five years after graduation;
- Students at regional higher education institutions (HEIs) are more likely to be female, older and to have caring responsibilities than those at urban HEIs. This implies that they are less mobile than their metropolitan counterparts and that the close proximity of a university to their home is likely to be an important factor in enabling them to study. (The Grattan study focussed on school leaver entrants to university and assumed that students are freely mobile);
- If funding was redirected from regional universities to support regional students to study at urban HEIs, as suggested in the Grattan report, there would be insufficient funds to fully compensate affected students for moving away from home. It is likely that many prospective students would be unable to afford to remain in higher education. Of those who moved and subsequently graduated from urban universities, the majority would not return to regional Australia.

## **2. Data on retention by graduates of regional universities within regional Australia.**

Various studies have examined the relationship between graduating from a regional university and propensity to remain in regional Australia. Of the studies we have examined, only the Grattan report claims that there is little correlation between graduating from a regional university and remaining in regional Australia.

Some studies examine the location of recent graduates, drawing on data at a national or institution level from the Graduate Destination Survey (GDS). This survey is conducted by Graduate Careers Australia each year and surveys all new higher education course completers within six months of graduation. Other studies examine longer term patterns by drawing on data from specially commissioned surveys and ACER's Graduate Pathways Survey (GPS) which examined what graduates were doing five years after graduation.

### *Retention of graduates from a regional university within regional Australia shortly after graduation*

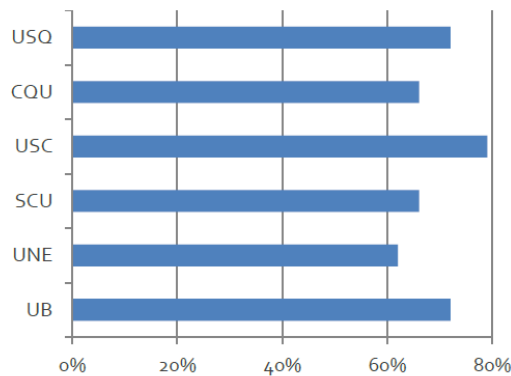
In 2012, RUN universities commissioned a report of the economic impact of their institutions. As part of the study, each university provided GDS data for their bachelor degree graduates for 2007 - 2011 including, for employed graduates, the location of their employment. The subsequent analysis demonstrated that 60 - 80% of employed, recent graduates of RUN universities were employed in regional Australia.<sup>6</sup>

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<sup>5</sup> ACER JTD Research briefing (2011) *Higher education and community benefits: The role of regional provision* Volume 1, number 5

<sup>6</sup> 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)

Percentage of Bachelor level graduates that were employed in a regional location at the survey census date, 2007-2011.



Note: 'UB' refers to the former University of Ballarat, now known as Federation University Australia.

For each institution, the data was further disaggregated to reveal the proportion of its graduates who were employed at a location within the university's footprint (based on Local Government Areas), other regional locations within the state or more broadly, or in a capital city.

A separate study undertaken by Charles Sturt University (CSU) using GDS data found that more than 77% of its recent graduates who were originally from a rural or regional area commenced employment in a rural or regional area. Of these, more than 80% of graduates in the natural and physical sciences, agriculture, environmental and veterinary sciences, society and culture, education and health sciences commenced employment in a regional area.<sup>7</sup>

*Retention of graduates from a regional university within regional Australia over the longer term*

CSU also commissioned a series of labour market studies between 2008 and 2010 which demonstrated that a very high proportion of professionals in western NSW are graduates of the university. These studies reveal that 43% of teachers, 36% of social work and social welfare workers and 74% of accountants obtained their initial professional qualifications from CSU. According to CSU, its graduates provide the mainstay of the professional workforce in western NSW.<sup>8</sup>

ACER researchers have undertaken a few studies on regional provision and regional students which have been synthesised in the briefing paper referred to previously. The paper notes that 65.7% of graduates from regional HEIs remain in regional areas for employment five years after graduation. By comparison only 15.6% of graduates of urban HEIs were living in a regional area five years after graduation.<sup>9</sup>

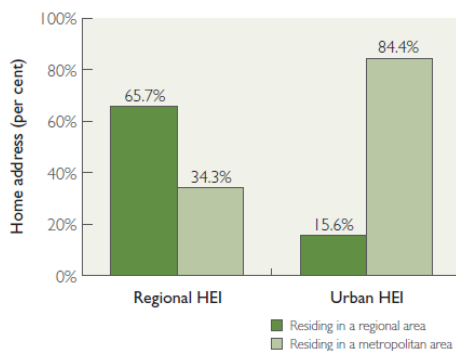


Figure 1: Home address five years after completion of course, students who had attended regional and urban HEIs, GPS respondents, 2008 (n=7,325)

<sup>7</sup> Charles Sturt University (2010) *Growing our Communities: Charles Sturt University's Regional Development Report 2010*. Bathurst: Charles Sturt University. Pages 7-8. Accessible from [http://www.csu.edu.au/\\_data/assets/pdf\\_file/0020/428132/Regional-Development-Report.pdf](http://www.csu.edu.au/_data/assets/pdf_file/0020/428132/Regional-Development-Report.pdf)

<sup>8</sup> Op cit

<sup>9</sup> Ibid

The paper finds that retention within regional Australia is most pronounced among individuals with longstanding connections. Of graduates of regional HEIs who had also attended primary school in a regional area, 81.3% remained in a regional area for employment five years after finishing their courses. This suggests that regional provision of higher education is very important in the retention of skilled workers in regional areas. Furthermore, students who move from regional areas to urban areas in order to undertake a higher education are unlikely to return, while those who are able to remain in regional areas while they are studying are likely to stay.<sup>10</sup>

The paper also found that not only do the majority of regional graduates use their skills to contribute to regional areas, they are also able to find employment in regional areas. The proportion of graduates who were employed five years after graduation was similar irrespective of whether they were graduates of a regional or urban HEI, and whether they were subsequently living in a regional or urban area. However, the proportion of employees in regional areas who were working on a part-time basis was higher than for employees in urban areas.<sup>11</sup>

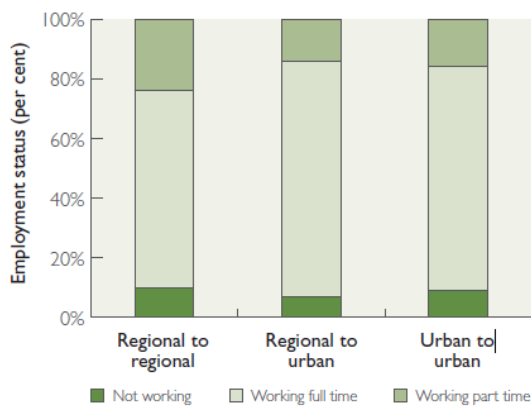


Figure 2: Working status five years after completion of course, GPS respondents, by location of HEI and location of residence, 2008 (n=6,959)

<sup>10</sup> Ibid

<sup>11</sup> Ibid