

National Tertiary Education Union

**House of Representatives
Standing Committee on Primary
Industry and Regional Services**

Inquiry Into Infrastructure And The
Development Of Australia's Regional Areas.

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Recommendations

Recommendation 1

That the Federal Government establish a regional infrastructure and employment fund. Access to the fund should be open to regional industries including universities and TAFE institutions to enable the funding of initiatives aimed at job-creation, industry development and enhancement of community services and infrastructure. Regional campuses should be encouraged to become more closely involved in regional development initiatives through access to the regional infrastructure and employment fund.

Recommendation 2

That greater co-ordination between Federal, State and Territory governments be facilitated by the Federal Government, with the specific objective of narrowing the higher education participation gap between rural and urban Australians. Such co-ordination should lead to the development of measures which are aimed at:

- improving school completion rates;
- improving access to and completion of higher education and other post-secondary education and training; and
- improving the employment prospects of graduates in rural areas.

Recommendation 3

That the introduction of the Common Youth Allowance be similarly monitored, with a particular emphasis on the effects of the Allowance on the access of equity groups to higher education and retention of students from equity groups.

Recommendation 4

The federal government should establish a body with suitable expertise to undertake the development and implementation of a range of measures aimed at improving education and employment opportunities in rural Australia. This group should be charged with the responsibility for a range of measures addressed in the recommendations which follow.

Recommendation 5

In order to test any new strategies aimed at equity measures, collaborative ventures between all levels of education institutions should be supported by the Federal Government.

Recommendation 6

That the Government monitor closely the effects of the regime of deregulation, real decreases in government funding and increases in HECS on equity groups in universities, with a specific focus on the access of students from rural and isolated backgrounds.

Recommendation 7

That the particular position of “satellite campuses” of metropolitan based universities be examined by Government, in order to develop measures aimed at limiting the concentration of resources in metropolitan campuses and maximising the viability and economic contribution of regional campuses.

Recommendation 8

That the government withdraw the Higher Education Legislation (Amendment) Bill 1999 in order to maintain the important economic and social contribution of student organisations in Australian universities.

Introduction

The NTEU represents the industrial and professional interests of over 25,000 members. The majority of NTEU members are employed in universities, many of which are either located in regional areas or make a significant contribution to regional development. The development of Australia's regional infrastructure is of direct relevance to both the industrial and professional interests of NTEU members.

Education plays a critical role in regional development. It supports the development of industries and enterprises through the provision of essential skills and knowledge; it provides research and analysis of key industrial and environmental factors which impinge on the regions themselves; and it contributes to economic activity and job creation more efficiently than any other industry.

Education provides valuable skill development opportunities for young Australians in regional areas, enabling them to develop and pursue aspirations towards meaningful and rewarding careers. The role of education is of particular importance to young Indigenous Australians, providing a resource to enable them to work within their communities to address economic and social disadvantage.

Universities are the site of valuable infrastructure, including research infrastructure, entertainment and sporting facilities, and libraries which are also utilised by their local communities.

Recognising the role that education plays in regional development and, more broadly, social development, the NTEU has historically promoted policies which support a strong, viable and publicly funded tertiary education system which is responsive to the needs of the communities it services. This submission focuses primarily on the role of universities in regional areas, but also makes reference to Technical and Further Education (TAFE) and cross sectoral links.

Role of education infrastructure in developing regional areas

Most regional areas face social and economic disadvantage, and are affected in varying ways by changes in population, employment, industry and economies. As an example of the variety of pressures impacting on regions, Queensland contains seven of the ten fastest growing urban centres in Australia. Most of the growth in Queensland occurred in the commuter corridors on the outskirts of the major centres. Oxenford, which was the fastest growing urban centre in Australia with a growth rate of 132.1%, is located near the Gold Coast. Helensvale, also located near the Gold Coast, had a growth rate of 128.3%. In contrast, the fastest growing urban centres in Tasmania were the holiday / retirement area of St. Helens-Stieglitz (55.1%) and Legana (42.1%) which is located near Hobart. (ABS: 1996 Census of Population and Housing)

A wide variety of effects is felt by communities undergoing such diverse changes. Essential to the capacity of any community to respond to change and pursue its development potential is the presence of viable and effective infrastructure. Education is an important part of that infrastructure.

There are two main ways in which universities contribute directly to regional development. Firstly, universities provide education for students from rural and isolated areas, irrespective of where the university is located. Secondly, and perhaps more significantly, universities located in regional areas play a role beyond educating local students: they provide important economic activity, employment, services, facilities and critical knowledge to support the development of the communities in which they are located.

Profile of Education Institutions in Regional Areas

Any examination of the role of education in regional development must include an examination of the benefits which accrue to the community as a whole, not just the individuals who participate in education.

The following table shows the distribution of campuses of universities in regional areas, and includes regional universities both single and multi-campus, as well as regional campuses of metropolitan based universities.

University	Location	University	Location
New South Wales		Queensland (cont.)	
Avondale College	Cooranbong	University Of Southern Queensland	Toowoomba
Charles Sturt University	Wagga Wagga		Hervey Bay
	Albury	Sunshine Coast University	Sippy Downs
	Wodonga	College	
	Bathurst		
	Dubbo		
Southern Cross University	Lismore	South Australia	
	Coffs Harbour	University Of Adelaide	Roseworthy
	Port Macquarie	University Of South Australia	Whyalla
University Of New England	Armidale	Victoria	
University Of Newcastle	Callaghan	Australian Catholic University	Ballarat
	Ourimbah	Deakin University	Geelong
University Of Sydney	Camden		Warrnambool
	Orange	La Trobe University	Albury
			Wodonga
University Of Wollongong	Nowra		Beechworth
	Wollongong		Bendigo
Northern Territory			Mildura
Northern Territory University	Palmerston		Mt. Buller
Batchelor College	Batchelor		Shepparton
Queensland		Marcus Oldham College	Geelong
Bond University	Robina	Monash University	Gippsland
Central Queensland University	Rockhampton	University Of Ballarat	Ballarat
	Gladstone	University Of Melbourne	Warragul
	Emerald		Horsham
	Bundaberg		Dookie
	Mackay		Glenmoriston
Griffith University	Southport	Western Australia	
James Cook University	Townsville	Curtin University Of Technology	Kalgoorlie
	Cairns		Northam
	Mackay	Edith Cowan University	Bunbury
University Of Queensland	Gatton	University Of Notre Dame	Broome
	Ipswich		

The table shows a total of 54 university campuses in regional locations. Many of these provide courses of study and research expertise of direct relevance to economic activities which are intensive in the region in which the particular campus is based. An example of this is the Kalgoorlie campus of Curtin University of Technology, and the Gladstone and Emerald campuses of Central Queensland University which provide critical support to the development of skills and knowledge in the mining industry. Similarly, Marcus Oldham College in Geelong and the Roseworthy campus of the University of Adelaide provide educational support to local agricultural initiatives. A further example is the role of James Cook University in initiatives in environmental and ecological research in North Queensland. JCU's work in Marine Biology is renowned

as being critical to the preservation of the Great Barrier Reef, and is therefore of direct relevance to the maintenance of tourist revenue within the region. Each of these institutions are internationally recognised as providing skills, knowledge and experience which are critical to the development of the regions in which they are located.

The important role of regional campuses is enhanced by their involvement in Co-operative Research Centres (CRCs). While government provides initial funding for CRCs, universities and industry are expected to provide ongoing resources. Universities have a particularly large stake in the Co-operative Research Program, providing the second largest contribution of resources overall to the centres.

Sixty seven CRCs are currently involved in activities ranging from maritime engineering, through photonics, satellite systems, renewable energy, plant science, wool, aquaculture, rice production and cotton production, to tropical rainforest ecology and sustainable development of tropical savannahs. The CRCs fit within six targeted industry sectors: manufacturing technology, information and communications technology, mining and energy, agricultural and rural based manufacturing, environment and medical science and technology.

The specific research initiatives of CRCs are of obvious benefit to the regions in which they are based, and similar to universities, provide economic and job-creation benefits to the region arising from their expenditure. Most CRCs have multiple nodes, including at regional universities where the research undertaken has direct links to local industry. Examples of these links include the CRC for Tropical Medicine at James Cook University, the CRC for Antarctica and the Southern Ocean in Hobart, and the CRC for Viticulture which has nodes in Adelaide, Wagga Wagga, Loxton, Tatura, and Mildura.

Economic Indicators of the Contribution of Universities

“There are few if any government activities that would be able to better universities in delivering a positive impact to a regional economy in terms of tangibles. Possible competitors would be a regional hospital, or a major tourist attraction. The first would impose additional costs on most users of the services and it is difficult to imagine how the government would achieve the second.

In terms of nontangibles universities have a significant advantage due to the type of physical infrastructure they provide and the variety of human resources associated with institutions of higher learning.^{1”}

The Government inquiry into higher education, “Learning for Life: Review of higher education financing and policy: a policy discussion paper”, (the West discussion paper) recognised the important role of regional universities. Of the 39 Australian universities at that time, 16 were classified as regional: their main campus being outside a capital city and the national capital. A regional multiplier of 1.8 was applied to estimates of regional university, staff and student expenditure, based on a number of studies of the economic impact of regional universities. In 1995, estimated direct expenditure totalled 1.156 million dollars, whereas estimated total regional output totalled 2.081 million. The regional multiplier in West was based on an assumption of 50% of staff and university expenditure occurring within the region.

Estimates of the impact of regional universities on their regions derived from specific studies indicate a higher regional output than that applied in the West discussion paper. Examples are:

- James Cook University estimates their impact on output as \$283 million compared to \$196 million in the West discussion paper;

- Southern Cross University estimates an impact of \$158 million compared with \$105 million;
- University of Southern Queensland estimated an impact of \$114 million which was less than the West discussion paper estimate of \$126 million.

Employment Multipliers

The specific studies referred to above addressed the regional impact of the universities in terms of the job-creation effects. The studies were able to derive an employment multiplier for each of the regional universities expressed as jobs created per \$1million of output as follows:

- James Cook University: 15.00
- Southern Cross University: 12.00
- University of Southern Queensland: 22.00
- South Australian Universities: 18.00
- University of Western Sydney: 15.00²

A more detailed study to the job-creation effects of a range of industries was undertaken by the Public Sector Research Centre. The study compared the job-creation effects of all industries, and found that education created more jobs per \$million of expenditure than any other industry. The PSRC study went beyond examining the effects of expenditure to include the consumption induced effects of expenditure. The following data is drawn from that study. (Appendix One contains a more detailed summary of the PSRC study.)

Detailed employment multipliers per \$million of turnover, 1993/94 - ranked in descending order by total multiplier

Industry	Initial Effect	Simple Multiplier	Consumption Induced Effect	Total Multiplier
Education	20	21	17	38
Community Services	19	25	13	38
Government Administration	11	18	13	30
Clothing	15	21	7	29
Sheep	17	23	5	28
Grains	17	24	5	28
all industry average	8	14	8	22

• Source: PSRC Briefing Paper 1. "The Economy Wide Employment Implications of Public Spending" July 1998.

The multipliers comprise two main components. Initial effects are those related to the direct expenditure of education institutions and their staff. Consumption induced effects relate to the flow on effects of the consumption of the institution and staff. The multipliers indicate that, for example, education spending to the value of \$1 million will

generate a total of 38 jobs in the Australian economy: a \$1 million reduction in education spending will result in a loss of 38 jobs.

Some of the characteristics of industries which have higher employment multipliers than other industries are:

- they are labour intensive compared to other industries;
- they are linked to other industries which are also labour intensive; and or
- they are relatively high wage industries.

Education fills all of these criteria. It is noteworthy that the figures in the table above relate to education as a whole: including primary, secondary and tertiary education. Tertiary education is generally more labour intensive and higher wage than primary and secondary education. It is therefore strongly arguable that if a discrete multiplier were developed for the tertiary education sector, it would be higher than the multiplier of 38 for the education industry as a whole.

When put into perspective these effects are significant within regions, and the economic effects are amplified by virtue of the inability of regional economies to absorb job losses. Analysis of the economic contribution of James Cook University suggests that if the University were to close, a reduction in gross regional product of 4 per cent and a reduction in employment in the Townsville area of 3.6 per cent would occur.

In addition to the benefits accruing to regional communities arising from the funding and spending patterns of universities, further benefits flow from the contributions made by universities to state taxes. A discussion paper prepared for the Australian Vice Chancellors Committee (AVCC), "Australian Universities as Tax Contributors", examined the amount of tax paid by universities as a percentage of their income. The study concluded that the overall tax payback as a percentage of the public funding received by the university sector in 1997 was 53%. About half of what the Government pays to universities returns as tax. Of the tax paid by universities, approximately 82% goes to the Commonwealth and 18% to the States and Territories. This factor cannot be ignored when attempting to determine the public benefit of expenditure on education, in that this tax revenue is able to be used by various levels of government to support other initiatives contributing to regional development.

A Case Study: Southern Cross University

A 1996 study of Southern Cross University provides valuable data on the role of that institution in its region. The study, "The Economic Impact of Southern Cross University on the City of Lismore" was conducted by the Centre for Coastal Management, Southern Cross University in February 1996, and provides an excellent example of the way in which a regional university can contribute to regional development. At the time of the study, the University contributed \$158 million worth of output, \$50 million of income and 1,900 full time jobs to the region. In addition, the multiplier effects of expenditure of the University, staff and students led to an additional 1,380 jobs, and an additional \$34 million in salaries and wages in Lismore.

The physical location of the University within the region has a direct bearing on the viability of local infrastructure. The viability of the local airport, travel agents, hire car services, and car sale and lease operations are enhanced by the activity generated by the University. Increased land values of between 7% to 15% have attracted population to the area and in turn increased rate income of the Lismore City Council.

Further, activities of the University resulted in a direct benefit to the community which can not be directly measured in financial terms. The study detailed over 3,800 hours per week of voluntary work in community organisations undertaken by staff and students of Southern Cross University. The University provided specialist services including advice and assistance to Indigenous groups and individuals, and is involved in cultural projects such as a radio station, art and music, and a sports program for disabled individuals. The University also provided other educational and social support in the form of library assistance and public access to the Internet.

A number of policy decisions made within the University contribute to this extent of economic activity. Firstly, capital works are undertaken by local sub-contractors and 49% of University purchases are from local stores as a consequence of the University's "buy local" policy. Strong links between regional universities and their communities which give rise to policies of this kind are of paramount importance in maximising the benefit of the regional university to the region in which it operates.

The role of regional universities in educating local students

A particularly important role of regional universities is the provision of education to students *from the region in which the university is located*. This is of even greater significance if such provision enables students to remain in the region and contribute to its growth if that is their choice. For this reason, regional universities must not be seen as a poor relation to city based universities, and their course offerings need to be relevant to both the development priorities of the region and to the aspirations of the students. This is particularly important in offering rural and isolated students an education which is seen to enhance their prospects of obtaining local employment.

Cross sectoral relationships are also of particular importance to regional universities and higher education institutions.

The location of universities within regions enables them to respond to changes in local industries and economies by contributing essential skills, knowledge and expertise to structural adjustments which impact on regional communities. Two particular examples of this role of universities are indicative of the contributions which universities can and do make in assisting regional economies to adjust to significant changes.

University of Newcastle: Steel Workers and Teachers

Following twelve months of negotiations, the University of Newcastle commenced a program in 1998 to retrain industry workers displaced by the closure of the BHP Rod Bar and Wire in Newcastle. The Faculty of Education at Newcastle developing the program consulted with the BHP employees who were to be displaced by the imminent closure, BHP as the current employer, the NSW Department of Education and Training (NSWDET) as the future employer, and the University itself.

The program set a new benchmark for successful cross sectoral relationships which enshrine principles of lifelong learning, whilst directly addressing the needs of the workers and industry. Several noteworthy characteristics of the program are:

- BHP contributing a fee to cover student tuition;
- recognition of prior learning whereby previous trade qualifications, in-house training, work history and experience are valued and recognised for entry;
- flexible delivery involving variation of the duration of the course and flexible entry;

- loss of income was minimised because retraining was occurring during the 2 year plant shutdown period rather than after the closure;
- teaching occurs at the University itself, at the BHP plant and in the school (or TAFE) context;
- links between the three bodies involved in the program are strong.

The program has enabled the establishment of further industry links, involving the University becoming a preferred provider for BHP in a number of areas of retraining. The employees derived a direct benefit in obtaining new qualifications and career opportunities. The NSWDET will gain new staff with broad employment and life experience. The community will benefit through the employment of these teachers, the successful transition from one job to another without periods of unemployment, and through the economic and job creation effects of a new area of activity being undertaken by the University.

University of Tasmania: Genetics and Rural Health

The University of Tasmania has three campuses: Hobart, Launceston and Burnie. In 1996 the University of Tasmania drew 41.9 % of non-overseas students from rural backgrounds, and .5% were from isolated areas.

In reviewing its strategic plan, the University took into account the particular features of the regional economy of Tasmania. Key factors were demographics such as declining population growth, decline in younger age cohorts, net interstate migration loss, poor school retention rates and low higher education participation rates.

An outcome of the review was a focus on 'theme areas', based on a concentration of resources in a number of areas in order to sustain a competitive advantage in higher education. The areas chosen were based on areas where the University had or was able to develop strengths which exploit the university's location and record of achievement. The theme areas chosen were:

- Antarctic and Southern Ocean Studies;
- National and State Development including agriculture, aquaculture, fisheries, forestry and mining;
- Wilderness and Environment;
- Population and Community Studies.

Arising from this approach, a number of initiatives were launched. One such initiative was the establishment of a Genetic Epidemiology Unit within the University's Menzies Centre for Population Health Research, in conjunction with the AMRAD Corporation. The work of the Centre focuses on discovery of the genetic basis of a number of common diseases. The University is well placed to undertake this work, since Tasmania is one of very few locations in the world ideal for this type of in-depth genetic investigation. Many Tasmanian families can be traced back six or seven generations, enabling identification of genetic links in specific human diseases within extended families.

A similar initiative which exploits the unique position of the University is the establishment of its Department of Rural Health. This followed the identification of difficulties in recruiting and retaining health care workers in rural and remote areas of Australia as impeding access to health care services.

The Department works in conjunction with Tasmania's Department of Community and Health Services to enhance knowledge on the health status of Tasmanians living in rural and remote areas. Research also focuses on better understanding the distribution of health care workers, as well as recruitment and retention factors affecting that distribution.

Other similar examples of joint ventures which respond to particular regional challenges are numerous, and characterise the importance of regional universities in regional development initiatives. In this sense, regional universities are an essential component of regional infrastructure which equips communities to effectively respond to new challenges and problems. Metropolitan-based universities also play a significant role in regional development arising from their contribution to regional areas and their intake of students from rural and isolated areas.

Recommendation 1

That the Government establish a regional infrastructure and employment fund. Access to the fund should be open to regional industries including universities to enable the funding of initiatives aimed at job-creation, industry development and enhancement of community services and infrastructure. Regional campuses should be encouraged to become more closely involved in regional development initiatives through access to the regional infrastructure and employment fund.

Impediments to regional development: public policy and education infrastructure

Access and Equity

Over the last decade, government policies have encouraged education institutions to improve the participation of groups who have been poorly represented in higher education. Institutions have been required to develop equity plans and report on progress against those plans annually. A range of equity indicators assist in showing which groups participate in higher education and to what extent. Participation of students from a non-English speaking background, Indigenous Australian Students, students with disabilities, students from a low socio-economic background and rural and isolated students are expressed as a proportion of non-overseas students. The table below shows the participation of these groups since 1991.

Equity Group	1991	1992	1993	1994	1995	1996	1997	Reference Values
People With A Disability	na	na	na	na	na	1.9	2.4	
Indigenous Students	1.0	1.0	1.0	1.2	1.2	1.2	1.2	1.4 (1991) 1.7 (1996)
People Of A Non-English Speaking Background (3)	4.3	4.7	5.0	5.2	5.5	5.4	5.1	4.9 (1991) 4.8 (1996)
People From A Rural Background (4)	18.5	18.7	18.5	18.0	17.7	17.7	17.4	24.3 (1991)
People From Isolated Background (5)	1.9	2.0	1.9	2.0	2.0	1.8	1.8	4.5 (1991)
People From Low SES Background (6)	15.0	15.0	14.8	14.8	14.9	14.4	14.5	25

• (Source: The Characteristics and Performance of Higher Education Institutions, DETYA, December 1998)

As the table shows, the percentage of students from rural and isolated backgrounds as a proportion of non-overseas students has always been low when compared to the reference value which represents the proportion of such people in the general

population. More disturbingly, the proportion of students from these equity groups has actually declined since 1992, meaning that students from rural and isolated backgrounds comprised 18.6 per cent of non-overseas students in 1998 compared to the 1991 Census reference value of 29.8 per cent.

A recent paper by the Centre for the Study of Higher Education may provide some explanation as to why this is the case. The paper, "Helping prospective students make informed choices: Equity and quality in student decision making", examined the attitudes of students of school leaving age towards higher education. Some of the attitudes held by rural and isolated students which may in part explain their under-representation in higher education include the following.

Rural students, especially those from lower socio-economic backgrounds are significantly less likely than urban students to believe that a university course would offer them the chance of an interesting and rewarding career.

Rural students are significantly more likely than urban students to believe that:

- a university qualification is not necessary for the jobs they want;
- their families cannot afford the costs of supporting them at university;
- the cost of university fees may stop them attending; and
- there is no point in their going to university.

The study found that rurality and socio-economic status combine to produce the greatest educational disadvantage. The least advantaged students (lower SES students who live long distances from university campuses) have significantly different attitudes from the most advantaged students (urban, higher SES students). Three examples of this are:

- at least twice the proportion of the least advantaged students believe that the cost of university fees may stop them attending university (43 per cent compared with 21 per cent);
- 31 per cent of the least advantaged students believed that a university qualification was not necessary for the job they want, while 15 per cent of their most advantaged counterparts believed the same;
- 69 per cent of the most advantaged students believed that their parents want them to undertake university study, while 38 per cent of the least advantaged students believed so.

The cost of higher education is identified by the study as a serious inhibitor or barrier for rural students. Rural students were more likely than urban students to believe that 'universities are really for wealthy people', and for many financially disadvantaged rural families the costs of education are well beyond their income capacity. Cost, however, is not the only inhibiting factor identified by the study.

The study concludes that present imbalances in higher education partly reflect differences in family and community attitudes towards the relevance of education. These social factors have a bearing on student choices before the final years of school, explaining partly why school completion rates are lower in rural areas. The study concludes that many rural students do not actually reach the point where it is meaningful to consider potential barriers to higher education.

A further factor complicating the choices confronting students from rural backgrounds is the variety of institutions and offerings within some regions. In the Gippsland region of Victoria, for example, there are three TAFE institutes (East, Central Gippsland and Casey), two Group Training Companies, and three Universities (Monash, RMIT and the University of Melbourne have between them seven campuses and two study centres). Greater co-ordination is required in planning the activities of these institutions to ensure that they relate closely to student and community aspirations.

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That greater co-ordination between federal, state and territory governments be facilitated by the Federal Government, with the specific objective of narrowing the higher education participation gap between rural and urban Australians. Such co-ordination should lead to the development of measures which are aimed at:

- improving school completion rates;
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In order to test any new strategies aimed at equity measures, collaborative ventures between all levels of education institutions should be supported by the federal government.

Cuts in Institutional Funding

Given the strong role that education expenditure plays in regional development, it should not come as a surprise that cuts in government expenditure on universities inhibit the role that universities play in regional development.

The following table compares the actual 1996 operating grant of universities with regional campuses with the 2001 estimates derived from DETYA figures. The dollar amounts in the table are expressed as 1999 dollars.

Operating Grant: Comparison 1996 Actual Grant with 2001 Estimates		
Institution	% Change	Constant \$ Change (\$,000)
Australian Catholic University (includes Ballarat)	5.9	3531
Central Queensland University	17.7	10561
Charles Sturt University(includes Wagga Wagga, Albury Wodonga, Bathurst)	2.7	2561
Curtin University (includes Kalgoorlie, Northam)	-1.8	-2642
Deakin University	-6.1	-9194
Griffith University (includes Southport)	14.9	22321
James Cook University	5.6	4553
La Trobe University (includes Bendigo)	-5.6	-9573
Monash University (includes Gippsland)	-5.8	-16852
Northern Territory University	-4.2	-1474
Southern Cross University	6.5	3215
University of Adelaide (includes Roseworthy)	-4.9	-6896
University of Ballarat	-4.7	-1567
University of Melbourne (includes Warragul, Horsham, Dookie, Glenmoriston)	-5.9	-17580
University of New England	-7.7	-7004
University of Newcastle	-0.6	-840
University of Queensland (includes Gatton, Ipswich)	4.2	11380
University of South Australia (includes Whyalla)	-5.2	-8262
University of Southern Queensland	0.8	514
University of Sydney (includes Camden, Orange)	-5.7	-18375
University of Tasmania	-6.5	-7237
University of Wollongong	2.2	2059
Batchelor College	1.3	107

The table shows that a number of significant regional universities have sustained cuts in operating grants since 1996. Cuts were not however confined to operating grants, but also included the loss of discretionary grants and the failure of the federal government to supplement salaries paid in universities.

These reductions fall into two broad categories: those which affect universities which are situated in regions, and those which affect regional campuses of larger universities with a metropolitan campus.

An example of the first category is the cut to the operating grant of the University of New England, which amounted to \$7,004,000 in 1999 dollars. Assuming that this reduction was entirely related to expenditure within the region, when applied to the employment multipliers discussed earlier in this submission, it will translate to a loss of 266 jobs in the community of Armidale and the region surrounding it. Accepting the West discussion paper assumption that 50% of expenditure of any university and its staff occurred within the region, the cut in operating grant would still translate to a loss of 133 jobs within the region, with the remaining job losses occurring elsewhere.

Recommendation 6

That the government monitor closely the effects of the regime of deregulation, real decreases in government funding and increases in HECS on equity groups in universities, with a specific focus on the access of students from rural and isolated backgrounds.

“Satellite” Campuses

The effects of the second category are less clear and in some cases more complex. Cuts in the operating grants of large multi-campus universities are not necessarily spread across the board, and have critical effects in regional areas where the local campus is a satellite campus of a metropolitan based university e.g. Bendigo campus of La Trobe University. These kinds of institution are the norm for Victorian regional campuses, with the University of Ballarat, which received a cut of 4.7%, being the exception in that it is the only stand alone regional university in that state.

NTEU members on regional Victorian campuses express great frustration at what they refer to as a centralisation of resources towards large city based campuses. Much of this centralisation arose from the process of amalgamating institutions which commenced in 1989, however it has continued to the present day as a consequence of cuts in operating grants which have been most severe in Victoria and South Australia. This centralisation has led to a crisis in Victorian (amalgamated) regional campuses characterised by:

- a reduction of positions in regional campuses which are related to marketing, business and curriculum development, administration, equal opportunity and equity;
- transfer of senior academic positions to metropolitan campuses resulting in reduced promotion opportunities and decreased ability to attract research funding, resulting in a reduced capacity to support postgraduate research;
- flatter staffing structures resulting in reduced career opportunities, especially for women in administrative positions.

The flow on effects of these factors are substantial in the context of regional micro-economies. Firstly, they result in university education in regional Victoria being comparatively low wage. Secondly, they result in university education in regional Victoria being less labour intensive than university education generally. High wages and labour intensiveness are two of the three features which characterise high job-creating industries. As a consequence, the employment generating effects of Victorian regional campuses of larger universities is reduced, although it is difficult to determine to what extent.

A further concern related to these campuses is that the combination of staff reductions and concentration of resources in the city reduces the capacity of these campuses to compete for students in an increasingly commercialised environment. This reduction in competitiveness may lead to regional campuses being seen as poor relations to their city counterparts, and in turn affects student choices not only about where they will study, but also whether or not they will return to the community after their studies are concluded.

Recommendation 7

That the particular position of “satellite campuses” of metropolitan based universities be examined by government, in order to develop measures aimed at limiting the concentration of resources in metropolitan campuses and maximising the viability and economic contribution of regional campuses.

Higher Education Legislation (Amendment) Bill 1999

The introduction of legislation designed to discontinue universal membership of campus student organisations, (Higher Education Legislation (Amendment) Bill 1999 has stimulated debate on the role that these organisations play in regional areas. In many cases these student organisations have funded the establishment and operation of facilities which were previously absent from the local community, such as theatres, sporting and leisure facilities, and live entertainment venues.

A recent survey by the Australasian Campus Union Managers Association identified many of the important functions performed by student organisations in regional areas. Some of the major findings of the survey are that if the Higher Education Legislation (Amendment) Bill 1999 were to be passed:

- 1000 jobs would be lost on regional campuses while a total of 3000 permanent jobs and 5000 casual jobs would be lost nationally;
- \$65,000,000 of expenditure on goods and services provided by the private sector would be at risk;
- \$100,000,000 contributed to the Australian economy each year (excluding building programs) would be lost;
- 75% of those surveyed would close their operations.

The survey also further identified contributions made by regional student organisations to regional communities:

- regional campuses service organisations have contributed \$90 million to the construction of facilities over the last decade;
- the two cinema complex in the town of Armidale was built through the joint efforts of the University of New England Union and the local services club. Armidale previously had no cinema;
- Southern Cross University Union and the local government authority have agreed to each contribute \$8 million to build an aquatic centre in Lismore;
- Charles Sturt University Student Association will contribute \$1.5 million towards a student centre at the Thurgoona Campus;
- regional campuses in Tasmania, Wagga Wagga, Armidale and Lismore are the major providers of live entertainment in their regions;
- student organisations provide important services such as child care, housing, employment placement, legal services and sporting and recreational activities. In the absence of such services it is likely that students who rely on such services may not be able to continue to participate in tertiary education due to the lack of alternative private providers of such services in the region.

The data from the ACUMA survey is compelling in that it depicts major reductions in the economic and social contribution of regional education arising from proposed legislative change. In the context of cuts in institutional funding to universities, it is unlikely in the extreme that the services provided by student organisations would be continued by the universities if the Higher Education Legislation (Amendment) Bill 1999 were passed.

Recommendation 8

That the government withdraw the Higher Education Legislation (Amendment) Bill 1999 in order to maintain the important economic and social contribution of student organisations in Australian universities.

Appendix One: Detailed Employment Multipliers

Detailed employment multipliers per \$million of turnover, 1993/94 - ranked in descending order by total multiplier: (top 20 industries and all industry average)

Industry	Initial Effect	Simple Multiplier	Consumption Induced Effect	Total Multiplier
Education	20	21	17	38
Community Services	19	25	13	38
Personal Services	23	30	8	38
Retail Trade	20	26	10	36
Other Business Services	20	25	10	34
Other Services	16	20	15	34
Accommodation, cafes & restaurants	15	22	11	33
Health Services	16	19	13	32
Furniture	14	22	9	31
Footwear	13	21	10	30
Government Administration	11	18	13	30
Clothing	15	21	7	29
Other Manufacturing	16	21	8	29
Other construction	14	20	10	29
Sheep	17	23	5	28
Grains	17	24	5	28
Meat and Meat products	5	21	7	28
leather & leather Products	8	20	8	28
Other wood products	10	19	9	28
Fabricated Metal Products	12	19	9	28
all industry average	8	14	8	22

- Source: PSRC Briefing Paper 1. "The Economy Wide Employment Implications of Public Spending" July 1998.

The columns in the table above represent:

Initial effects: shows the number of workers employed by the industry to meet \$1million worth of demand for their goods and services. This gives an indication of the labour intensity of each industry: the more workers required to meet \$1million worth of demand, the more labour intensive the industry;

simple multipliers: shows the number of employees needed from all industries to produce output to satisfy the demand for \$1million of output from an industry;

consumption induced effects: shows the number of jobs created by workers employed in an industry spending their wages;

total multipliers: shows the overall number of jobs created from the initial demand, plus the flow on requirements from other linked industries, plus the employment effects created by workers spending their wages. The total multiplier is the sum of the simple multiplier and consumption induced effects.

¹ "Learning for Life: review of higher education financing and policy" a policy discussion paper. DEETYA 1997, Appendix 12, p.33.

² *ibid.* pp.23 - 29.