

CQUniversity Australia (Central Queensland University)

SUBMISSION TO THE SENATE INQUIRY

**Rural and Regional Access to Secondary and Tertiary Education
Opportunities**

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1 Introduction

Regional universities should form the cornerstone of the provision of higher education in Australia. Our contributions to our regions, our communities, our industries, our businesses, our families and our students are far-reaching. We are about more than just the provision of access and equity. Regional universities sustain a community through improved economies, greater productivity, accelerated innovation and increased skills, knowledge and health outcomes.

It will be important for the Federal Government to recognize that Queensland is different from the other States in terms of its higher education needs. Much of our population is decentralized away from the capital city and the provision of access to tertiary education is even more reliant in this context on regional Universities such as CQUniversity, which have a distributed, multi-city operation servicing a vast part of the country.

The sustainability of regional Universities requires finding unconventional solutions – economic, pedagogic, administrative and political – to the challenges we encounter of being based outside of the major metropolitan cities. The regional economy, buoyed by the resources industry, and high employment levels also provides many challenges.

Regional universities create opportunities for a broad range of students and provide access to tertiary education and lifelong learning. Our demographic is far removed from the traditional school leaver. We focus on diversity of intake, recognising that most of our students come from different regional areas, different phases of their life, different educational backgrounds. Many, if not most, of our domestic students cannot access full-time study.

Regional students want local access to higher education. Regional universities add value to a region in terms of addressing skills shortages, providing intellectual capital, developing partnerships with local industries and attracting people to the regions, thus reducing the burden on civil infrastructure in the cities.

The desire to provide access for regional students to University education and the provision of lifelong learning opportunities must be properly funded, with the appropriate indexation. Much of Australia's wealth is derived from the resources and primary produce of regional Australia. Proper investment into sustaining and growing the knowledge-based economies of these communities is a fair and reasonable proposition and expectation.

2 The Important Role of Regional Universities in Providing Higher Education to Regional Australia

There may be a natural assumption that tertiary students have a strong preference to attend capital city universities, however it is often not possible for many tertiary students from regional Australia to do so.

There are a number of reasons for this including:

- Economic reasons which make it difficult for potential students from lower socio-economic families to attend major capital city universities.
- A large percentage of students are mature age (ie, 25+) and wish to upgrade their skills and therefore find regional universities more convenient due to having established networks in the region.
- An increasing number of students have existing careers and want to attend university part-time to upgrade their skills which therefore precludes attendance at capital city universities.
- An increasing number of remote students want to attain undergraduate or second degrees however living in remote Australia precludes them from attending a university. Therefore there is a need to undertake studies on an external basis. Regional universities have traditionally provided this education alternative.
- The skill requirements for careers in regional Australia are not always the same as those for careers in capital cities. Because of lower numbers and smaller class sizes, the regional universities are in a better position to adapt course offerings to meet those needs.

3 Positive Effects of Regional Universities on Regional Economies

There is significant evidence which suggests that regional universities contribute large and important benefits to regional economies and communities. Some of the benefits are the direct economic impacts. This suggests that any short term cost savings in concentrating university education into capital cities would be more than offset by negative impacts on regional areas. These would occur through the loss of direct economic stimulus on regional economies, the increased cost of providing appropriate skilled labour into regional Australia with subsequent impacts on regional industries, and the human costs in terms of reduction in vibrancy, equity and opportunity in regional areas.

The positive benefits of providing access to rural and regional students in a regional University setting include:

- Income and employment effects on regional areas - locating staff, students and suppliers in regional economies.

- Enhanced human and social capital through education, helping to inject skilled labour into regional areas and maintain economic prospects for the region.
- Beneficial spillover effects of research and higher human capital generate productivity improvements.
- Expenditure of universities on staff and services in regional areas.
- Retention and attraction of students who then create their own expenditure and income patterns in regional economies.
- Because staff and students employed in and attending universities may not be located in regional centres without the presence of a university, regional universities can be expected to have much higher impacts on their economies than corresponding universities in more traditional urban settings.
- Whole of university studies of Charles Sturt University and James Cook University indicate that the economic impact per student is between \$32,000 and \$34,000. These studies confirm that regional universities make very large and important direct contributions to their regional economies.
- The level of economic impact on the region varies significantly according to whether the campus is a satellite or a central hub. Southern Cross University's Tweed Campus contributes only \$19,000 per student to the region because of its satellite nature. However CQUniversity, with our Rockhampton Campus as the hub of several domestic and international campuses, has an economic impact of \$91,000 per student.
- Provide direct access for students in regional and remote areas without the stress and emotion associated with relocation away from family that would occur if students were required to relocate to metropolitan centres. This also helps to keep family support networks in place for students commencing tertiary education for the first time. Similar points can be made for the improved access that regional universities provide to students from low socio-economic backgrounds.
- Become specialised in providing education to regional students and those of low socio-economic status and can provide the appropriate support and encouragement.
- Improve the image and attractiveness of regional areas. They help to hold and attract young people to regional cities and contribute to the social, cultural and sporting fabric of communities.

4 Challenges Faced by Regional Universities

A unique set of difficulties are faced by regional universities in their operations.

- Regional universities typically range in size from 5,000 – 10,000 students compared to large city universities who operate with 20,000 – 50,000 students, often on fewer campuses.
- The Federal government has encouraged regional universities to concentrate on attracting students in their own region as opposed to attracting students from the lucrative international market. However, current CQUniversity domestic operations are running at a loss and are subsidised only by the profit making international arm of the university. Due to a lack of funding, regional universities are forced to utilise resources to increase revenue from international operations in order to cover the ballooning costs of operating across multiple campuses.
- The current funding model for teaching and learning provides a regional loading to eligible institutions based on the number of students they enrol at regional campuses. To date, this model has been unsuccessful, as funding is not targeted towards those campuses that face major challenges in achieving and maintaining viable student numbers because of their location. The cost of running multi-campus sites is astronomical compared with the loading that is received for doing so. In many cases, pressure from the local community prevent the withdrawal of low-enrolment programs and courses from these sites.
- CQUniversity offers its Bachelor of Learning Management across six regional campuses in Queensland. Due to the level of face-to-face contact required in the program, administrative and academic staff must be available to students on each of these campuses. The additional costs incurred in order to operate under such a model heavily outweigh the funding allocated. Of greater concern is that additional funding is not allocated towards offering programs that will reduce projected shortfalls in skilled labour in the areas of education and nursing.
- CQUniversity currently receives \$2m annually in regional loading – this equates to less than \$1.70 per teaching day per domestic student.
- Regional universities have higher fixed costs as a proportion of total costs due to three critical factors (1) lower population catchment from which to draw on campus student load; (2) decentralisation and infrastructure; (3) high proportion of part-time students and students from low socio-economic backgrounds.

5 Access for Equity Groups

The Bradley Review reports that people from lower socio-economic backgrounds, those from regional and remote Australia as well as Indigenous Australians are under-represented in higher education compared to their incidence in the general population. Barriers to access for such students include their previous educational attainment, no awareness of the long-term benefits of higher education and, thus, no aspiration to participate. Once enrolled, they require higher levels of support to succeed, including financial assistance and greater academic support, mentoring and counselling services.

Bearing in mind that the largest proportion of people from lower socio-economic backgrounds, from regional and remote Australia and Indigenous Australians live outside of major capital cities and regional centres, funding for regional universities is crucial in order for the government to reach its agreed targets for higher education qualification.

- Students from low socio-economic backgrounds
 - Access rate is 16% compared with an adequate representation of 25%
 - More poorly represented in G8 universities than in regional universities
 - Success rate is 97% of that of medium and high socio-economic status students
 - In 2007, 33.47% of CQUniversity enrolled domestic students were from a low socio-economic background compared with only 9.61% at University of Queensland.
 - CQUniversity has the highest rate of access in Queensland for students from low socio-economic backgrounds and is second nationally after the Batchelor Institute of Indigenous Tertiary Education in the Northern Territory.
 - CQUniversity operates an enabling program for students who have not attained the relevant level of educational attainment to enter university through traditional channels. The Skills for Tertiary Education Preparatory Studies (STEPS) program offers courses in academic language and essay writing, elementary mathematics, computing for academic assignment writing and tertiary preparation skills.
 - Students with minimum prior educational attainment require greater academic support throughout their journey into university. CQUniversity offers the Mathematics Learning Centre (MLC) and the Communications Learning Centre (CLC) for students who require additional support and mentoring in the completion of their academic studies. In addition, the STEPS program is staffed by academics specialised in the delivery of such enabling programs. The necessity for these programs and services indicates that the cost of educating a student from a disadvantaged background is higher than for a higher

socio-economic status student. Significant additional funding is required to support the participation of students from such backgrounds.

- A financial viability review of CQUniversity conducted by the Queensland Treasury Corporation (QTC) in June 2009 commented on the lack of resources the university is allocated to run its enabling programs. The STEPS program, while receiving some Commonwealth Funding, does not attract student HECS fees. The program is provided to all students free of tuition fees and textbook charges to ensure access is available for all students from all backgrounds. The QTC reports that *'to some extent (the program) is a drain on CQU's finances.'* Regional universities who are already struggling to achieve operating surpluses, are offering such enabling courses at their own detriment.
- Students from low socio-economic backgrounds lack awareness of higher education and a lack of understanding of what is involved in preparing for it. Many students are not aware of the benefits of a higher education and what financial assistance is available to them. Regional universities require additional resources to ensure staff can work towards increasing awareness through contact with potential students and their families and local high schools.
- Students from regional and remote areas
 - 25.4% of the population lives in rural/regional areas
 - Retention patterns for regional and remote students are 3% and 13% lower respectively in comparison to urban students. CQUniversity reported an overall attrition rate of almost 40% between first year and second year students in 2008. A survey conducted by the University indicated that the reasons for students withdrawing were a lack of engagement with academic staff and unrealistic expectations. Additional resources are necessary in order to address this problem.
 - In 2007, 85% of CQUniversity enrolled domestic students were from regional or rural areas compared with only 16.64% at University of Queensland.
 - CQUniversity has the highest rate of access for students from regional areas in Queensland and are second nationally to University of Ballarat.
 - CQUniversity has the equal highest rate of access for students from remote areas in Queensland and are equal third nationally after Batchelor Institute of Indigenous Tertiary Education and Charles Darwin University.
 - A recent survey performed by the CQUniversity Student Support Centre identified that one in twenty students (5.5%) nominated transition issues as the reason for failing their courses. The University does not cater for the orientation of specialist groups ie students living away from home, those having problems in transition from high school,

and students with adjustments to distance mode. These groups may warrant the implementation of extra strategies to counter transition issues for specific groups.

6 Impact of Proposed Changes to Youth Allowance – Issues Affecting Rural & Regional Students

The recent changes to the Youth Allowance and how this affects the Gap Year and the status of students who are independent from parental income have a significant impact on rural and regional students.

- Under new Youth Allowance Eligibility criteria, students wishing to qualify through employment for independent status must now be employed for 30 hours per week for at least 18 months in a two year period.
- The changes have highlighted the difficulty rural and regional students face to attend higher education in metropolitan and regional centres. They often do not have the opportunity to continue living with their parents, due to geographic location, and face significant housing and relocation costs to attend university if they do not qualify as independent for the purpose of youth allowance.
- Rural and regional areas offer less employment opportunities making it difficult for students located in these areas to find continuous employment for 30 hours per week.
- Students in these areas run the risk of losing their deferred place, as most universities will only deferrals for a period of twelve months. Students may also lose interest in study after being in the workforce for up to two years.
- These new eligibility criteria fail to address the significant barriers for rural and regional students who must relocate to attend university. The start up costs of accommodation in education to the cost of education will often mean that they will continue to remain under represented in higher education.
- The government needs to find a better way of assessing independence that does not disadvantage students who need to relocate in order to attend university. Allowances are made for students who are unable to live at home due to extreme family breakdown and threats of violence however no such exemptions are made for students who reside in remote geographical locations, resulting in extreme disadvantage to these individuals.

7 Useful Statistics

Queensland School Leavers

Extracted from the DETA Report on the Destinations of Year 12 Completers from 2007 in Queensland.

- 34.4% of school leavers in 2007 entered into university education in 2008. Of this group, 2.5% were working full-time, 66.3% were working part-time and 14.4% were seeking employment.
- 24.9% of non-metropolitan school leavers entered into university education compared with 38.7% of metropolitan school leavers. The number of non-metropolitan school leavers attending university decreased according to the level of remoteness.
- 23.3% of school leavers from the lowest socio-economic quartile entered into university education compared with 48.3% from the highest socio-economic quartile.
- 8.4% of school leavers in 2007 who received an offer into University in 2008, chose to defer this offer. Year 12 graduates from non-metropolitan regions were more likely (10.9%) than their metropolitan counterparts (7.2%) to defer an offer of a tertiary place.
- Of the 11,666 school leavers in 2007 who entered university in 2008, 72.1% attended the three major capital city universities, 2.3% attended interstate universities, 1.6% attended private universities and 24% attended regional universities (4% CQU).
- Of the school leavers who did not enter into further education in 2008, 6.7% responded that they were working to finance further study, 3.8% felt the course fees and other costs were a barrier, 2.3% were working to qualify for independent youth allowance and 1.5% would have to move away from home. When analysing the above findings by metropolitan/non-metropolitan location, students from non-metropolitan locations responded to each of the above cost related categories more frequently than their metropolitan counterparts.

All Students

- In Queensland in 2008 73.14% of students who were offered a university place accepted this offer and enrolled in a university program.
- Queensland students who permanently reside in the Brisbane metropolitan area are more likely to accept their offer of a university place and enrol in a program (75.30%) than their non-metropolitan peers (70.39%).
- 53.06% of enrolments in Queensland universities are from students who permanently reside in the Brisbane metropolitan area.

Funding

- Central Queensland accounts for approximately 20% of Queensland's Gross State Product and nearly 4% of Australia's Gross National Product (*Office of Economic and Statistical Research 2008*). However, the region received only 1% of the federal government's total higher education budget.
- CQUniversity currently estimates a shortfall in funding for the cost of operating across multi-campus sites of \$17.2m in 2009 and increasing to approximately \$20.5m in 2013.
- Central Queensland has one of the lowest participation rates in university education in the country (6.1%).

8 Conclusion

Whilst access is an important premise on which all universities are founded, the distributed model of regional universities and their multi-campus operations provides accessibility for rural and regional students as part of its strategic mission, and does so because it must, not because it can.

The Central Queensland region served by CQUniversity covers a vast area of Australia. It must be recognised that campuses in some regional areas require very substantial increased infrastructure and other costs. In the longer term, the funding model must take into account a distributed regional campus model and significant indivisible costs, otherwise it will no longer be sustainable in regions such as Emerald, Bundaberg and the like and access to tertiary education will be diminished in an area which has amongst the lowest participation rates in the country.

If the Government is serious about the provision of quality educational opportunities to students from rural and regional backgrounds, it must recognise the essential nature of regional universities and provide the appropriate support and funding mechanisms to achieve this goal.