

# SUBMISSION TO INDEPENDENT REVIEW INTO REGIONAL, RURAL AND REMOTE EDUCATION

29 August 2017

Universities Australia (UA) welcomes the opportunity to respond to the Independent Review into Regional, Rural and Remote Education discussion paper.

UA's submission represents a whole-of-sector view on the issues raised in the paper. Individual UA member universities and other groupings may make their own more detailed and we commend these to you.

## **THE ROLE OF REGIONAL UNIVERSITIES**

Regional universities play a critical role both in contributing to Australia's higher education system as a whole and particularly, the cities, towns and communities they serve.

As well as providing higher education opportunities to regional Australians – producing a large proportion of the professionals working in regional communities – they undertake research in a range of fields, are major employers in the regional centres they are based in, and provide community, sports and cultural facilities.

Regional universities are faced with a number of challenges.

The student demographic of regional universities skews to mature students, first-in-family and those from low socioeconomic backgrounds. They have proportionately fewer school leavers and a greater proportion of those with lower ATAR and academically less well prepared.

Many of these universities offer substantial online and distance education courses, and have widely-scattered campuses and smaller study centres. The geographic footprint of each regional university is often larger than that of their metropolitan counterparts.

## **BACKGROUND: REGIONAL STUDENTS' PARTICIPATION AND SUCCESS IN HIGHER EDUCATION**

Rural and regional students face particular barriers in accessing higher education. They also face particular challenges in persisting and succeeding in their studies. The cost and difficulties inherent in having to move in order to attend university are key obstacles to rural and regional students.

Research on 'Regional Student Participation and Migration' (Cardak et al 2017) found that regional and remote students are 10 per cent less likely to consider going to university than metropolitan students and nearly six per cent less likely to graduate from university.<sup>1</sup> They are

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<sup>1</sup> Buly Cardak, Matthew Brett, Mark Bowden, Joseph Vecci, Paul Barry, John Bahtsevanoglou and Richard McAllister (2017), *Regional Student Participation and Migration*, National Centre for Student Equity in Higher Education, Curtin University, p.v

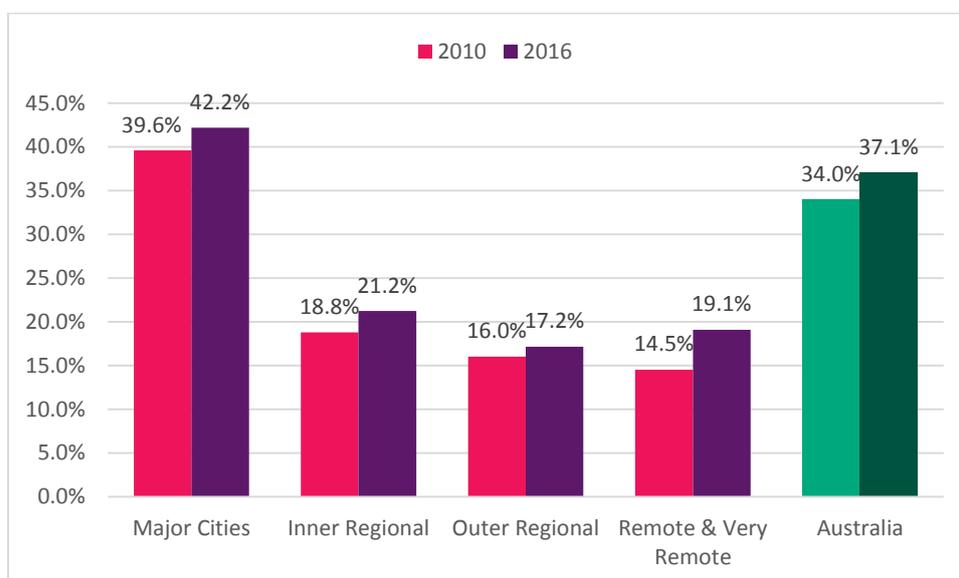
also more likely to have study breaks, to dip in and out of education and therefore take longer to complete their course.<sup>2</sup>

In recent years, access to higher education by students from the most traditionally under-represented groups has improved. Over the period 2011 to 2015, total domestic undergraduate enrolments increased by 19.5 per cent, but low SES student numbers grew by 26 per cent. Indigenous enrolments were up 38 per cent.<sup>3</sup>

However, recent moves to wider participation have had less of an impact on rural and regional students. Indeed, enrolments by regional and remote students have grown somewhat more slowly than the average. Between 2011 and 2015, regional student numbers grew by just under 17 per cent and the number of student from remote areas grew by only 14 per cent, 2.5 percentage points below the figure for growth in all domestic undergraduate enrolments.<sup>4</sup>

The increase in student enrolment following the introduction of the demand-driven system has resulted in an increase in educational attainment across Australia. In 2016, 37.1 per cent of 25–34 years old had a bachelor level of qualification of higher, up three percentage points from 2010. Despite this increase, people from major cities remain twice as likely to hold a university degree as those from regional and remote areas (see Figure 1).<sup>5</sup>

**Figure 1: Proportion of people aged 25-34 with a bachelor degree or higher, by remoteness area**



Source: ABS (2016), *Education and Work Australia, May 2016*, Cat. No. 6227.0.

Regional students are less likely to apply for university. In 2016, about 24 per cent of university applicants were from non-metropolitan areas. This is lower than the non-metropolitan share of the 15–64 year old population (29 per cent).<sup>6</sup>

<sup>2</sup> Marcia Devlin, Jade McKay (2017), *Facilitating Success for Students from Low Socioeconomic Backgrounds at Regional Universities*, Federation University Australia, p.76

<sup>3</sup> DET (various years), Higher Education Student Statistics

<sup>4</sup> Ibid.

<sup>5</sup> ABS (2016), *Education and Work Australia, May 2016*, Cat. No. 6227.0.

<sup>6</sup> DET (2016), *Undergraduate Applications, Offers and Acceptances 2016*, p.32-33.

Despite a higher offer rate, non-metropolitan students are less likely to accept an offer than metropolitan students. The acceptance rate for non-metropolitan students is five percentage points lower than for metropolitan students.<sup>7</sup>

Regional students are twice as likely to defer their study. They are also more likely to take a gap year. In many cases, this is related to a need to work and save money and/or to qualify for income support before starting university.<sup>8</sup>

An obvious barrier to regional students is the cost of moving. In many—perhaps most—cases, regional students move to places where the cost of living is significantly higher than it is at home. Cardak et al (2017) found that more than 30 per cent of regional students move to go to university, with about three-quarters of those who move going to metropolitan areas.<sup>9</sup> The research suggests that many regional students who move to metropolitan universities study part-time in order to deal with the costs of living and study.<sup>10</sup>

UA welcomes measures to help students deal with these costs and challenges. We support initiatives that will increase regional participation in higher education and help more regional students to complete degrees. In particular financial support must be targeted to where it is needed most, including regional students who frequently must bear highly living and study costs, often out of lower incomes.

## **FUNDING ISSUES**

### **The demand-driven enrolment system**

Since 2008 there has been a 34.7 per cent increase in domestic undergraduate enrolments. This has largely been due to the introduction in 2012 of the demand-driven system.

Over the same period enrolments by regional students increased by 33.1 per cent, and remote students by 21.5 per cent.

Although the growth in numbers of regional/remote students has not been as large as the national figure, the demand-driven system has enabled thousands more regional people, who may not otherwise have had the opportunity, to participate in, and succeed at, higher education.

UA strongly supports, on the grounds of equity and capacity for meeting future labour market needs, the retention of the demand driven system.

UA has also long advocated for - and supports – the Government’s current proposals for extending the demand-driven system to sub-bachelor courses. Providing more Commonwealth-supported places in associate degree, advanced diploma and diploma courses will improve the availability and diversity of pathways into Bachelor degrees, especially for students who may not have had the opportunity to perform at school at an academic level that reflects their abilities.

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<sup>7</sup> Ibid., p.34.

<sup>8</sup> DET (2016), *Undergraduate Applications, Offers and Acceptances 2016*, p.24.

<sup>9</sup> Buly Cardak, Matthew Brett, Mark Bowden, Joseph Vecci, Paul Barry, John Bahtsevanoglou and Richard McAllister (2017), *Regional Student Participation and Migration*, National Centre for Student Equity in Higher Education, Curtin University, p.vii.

<sup>10</sup> Ibid., p.68.

## **Recommendation 1**

That the Review:

- reaffirm the gains made by regional and remote students under the demand-driven system; and
- note the additional opportunities that would arise from expansion of the demand-driven system to sub-bachelor places.

### **The threat to regional universities from announced funding cuts**

The Government's higher education support amendment Bill currently before Parliament threatens the base funding of regional universities across Australia.

The headline figure in the package is a 2.5 per cent efficiency dividend that will reduce the Government's contribution to university places in 2018 and 2019. This cut is bigger than it looks and, since it resets the baseline, is permanent.

The combined impact of the two efficiency dividends is an immediate cut of 5 per cent in real terms.

There is little doubt that this will have a negative effect on access to higher education, particularly for provision in regional and remote areas where higher education participation is already comparatively low, where the universities are more reliant on Government funding and where it has been estimated that the cost of education provision is already higher than in capital cities.<sup>11</sup> UA is concerned that these changes to funding will further exacerbate a city-country divide in employment, productivity and innovation.

Funding cuts will also make it harder for universities to offer support services for students who require academic and pastoral support. These vital services are already under strain as a consequence of earlier funding cuts in recent times.

The ultimate outcome may be a further drift of regional students to capital city universities, where they will be separated from support networks, will have higher living expenses and from which they are unlikely to return to the regions post-graduation.

These funding cuts will of course not just impact on the universities and their students, but will have flow-on effects for the communities they serve. Charles Sturt University, for instance, has estimated that the headline cut would remove around \$9 million from the regional towns of New South Wales, and would equate to a loss of 270 jobs in these towns.

## **Recommendation 2**

That the Review note the disproportionate negative impact of proposed funding cuts on regional higher education.

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<sup>11</sup> The 2011 Review of Regional Loading estimated that the cost of regional higher education provision was between 5%-50% higher than in metropolitan universities. Commonwealth of Australia (2011) *Review of Regional Loading Final Report*, vii

## Proposed increases in student contributions

The Government has proposed increasing student contributions. By 2021 student contributions would increase by 7.5 per cent over current levels.

While it is the case that these increased costs to students would be deferred via the Higher Education Loan Program (HELP) and not repaid until the student is earning a threshold income level, it nonetheless creates an additional financial burden on regional students, who would be paying more but getting less (as the net overall cut to university revenue per place would still be above 2.5 per cent).

Despite the fact that HELP loans are income-contingent, for a variety of reasons, regional students tend to be more debt averse.<sup>12</sup> Higher fees might be expected, then, to deter some students from undertaking higher education. This is likely to be the case for low socio-economic students and mature-age students, both of which groups are over-represented in regional universities.

Increased HELP debt levels will also increase the overall cost of education experienced by regional students who must, or who choose to, relocate for study.

The proposed increases to student contribution amounts will have a disproportionate impact on regional students' education and aspiration.

UA is conducting a survey-based investigation into student finances in the last quarter of 2017. Results from this will be available in early 2018. It is our expectation that this study will highlight the very substantial financial difficulties experienced by regional students.

## The Role of Regional Loading

The Commonwealth provides additional funding to universities operating regional campuses. This regional loading is intended to offset the disparity in costs and revenues of regional operations compared to metropolitan providers.

Approximately \$70 million of regional loading was provided in 2017. The value of a university's regional loading is determined by a formula that takes into account both the average student load and the remoteness of a university's campuses.

The purpose and level of regional loading was last reviewed in 2011. That review found that the level of funding was not sufficient to offset the disparity in costs and revenue between regional and metropolitan campuses, but that it was not possible to identify the precise disparity in costs on a campus by campus basis "*as well managed universities kept their costs within their budget.*"<sup>13</sup>

Subsequent to this review the funding quantum was increased.

UA supports the policy intent behind the regional loading. There are real disparities between the costs and revenues of regional universities and their metropolitan-based counterparts. For instance the relative revenue contributed by international students, who are less likely to enrol in Australian regional universities, and the increased costs involved in operating a number of campuses long distances apart versus one-site campuses in major cities.

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<sup>12</sup> See, for instance, Richard James (2001) Participation Disadvantage in Australian Higher Education: An Analysis of Some Effects of Geographical Location and Socioeconomic Status, *Higher Education* 42 (4), pp.466-468.

<sup>13</sup> Review of Regional Loading Final Report, p. vii

We suggest that the funding formula for regional loading should be reviewed following the completion of current reviews of regional and remote status. Such a review might also seek to examine broader issues, such as the formula's weighting of distance versus on-campus students.

### **Recommendation**

That the Review recommend an examination of the regional loading funding formula following the completion of the review into regional and remote status.

## **STUDENT ISSUES**

### **Regional Students' School Success**

Regional universities are challenged by the relatively weak school attainment of regional students. Compared with their metropolitan peers, young people in the regions are less likely to complete high school and are less likely to achieve high tertiary admissions rankings. In many cases they are unable to access the range of subject disciplines available in major cities.

UA agrees with others who have suggested that improvements to regional school systems is key to improving regional tertiary education outcomes.

Universities, particularly those based in the regions, can mitigate these challenges to some extent, particularly through building student aspiration and offering a range of admission pathways and bridging courses, but there are limits to what can be achieved by the tertiary education sector to make up for shortfalls in the primary and secondary sectors.

### **Building Student Aspiration**

#### ***The role of HEPPP***

The Higher Education Participation and Partnership Program (HEPPP) is a Commonwealth funding scheme that provides universities with additional resources for school and community outreach and for supporting students from low SES backgrounds succeed at their study.

HEPPP is aimed at low SES students. Many regional and remote students are in this category. Some 16 per cent of all funding to-date has been used specifically to assist low SES regional students.<sup>14</sup> . Regional universities' use of their HEPPP funding has been more heavily targeted at student support than for outreach,<sup>15</sup> which demonstrates the generally more fragile nature of regional student preparation for higher education.

Since 2013 HEPPP has suffered a series of cutbacks in successive Federal Budgets. In 2017 the Government has put forward legislative amendments that would see the HEPPP enshrined in legislation. UA strongly supports this proposal.

#### ***Exposure to career opportunities***

Lack of exposure to potential careers/professions at earlier ages has also been identified as a barrier/gap to pursuing further study by young people living in rural/remote locations. Relatively fewer jobs in regional areas require tertiary qualifications and higher education can subsequently be perceived as less relevant. Lack of professionals and career opportunities in rural areas also

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<sup>14</sup> Acil Allen Consulting (2017) *Evaluation of the HEPPP*, p. 39.

<sup>15</sup> Acil Allen Consulting (2017) pp. 34-35.

leads to fewer role models and mentors in the community and less positive peer pressure to pursue higher educational/professional career goals.

A number of universities/university departments of rural health run rural health fairs or expos as a way of exposing rural high school students and other members of the community to an array of health professions and rural practice.

Examples are available at: <https://www.jcu.edu.au/mount-isa-centre-for-rural-and-remote-health/news-and-events/2017-micrrh-health-careers-expo> and <http://outlookruralhealthclub.org.au/rural-careers-day-report/> These provide positive role models, raise awareness of, and encourage young people to pursue, higher education and future employment in a range of health professions.

### ***Transparent admissions information***

UA and its members have been working with Government, Tertiary Admissions Centres and others to improve the provision of admissions information, including transparent details on minimum course requirements and data on student entry pathways.

Introduced in August 2017 and to be fully implemented from 2018, this process is intended to ensure that prospective students are better informed on what various courses of study will entail and have comparable information on similar courses at different institutions.

The underlying purpose is to reduce attrition by minimising the number of students who discover too late that their enrolled course is not what they wanted or needed.

More consistent and accessible information will also make it easier for regional students – and students from other under-represented groups – to become aware of the range of study options available to them.

### **Better measurement of participation and attrition**

Current data collection on regional student participation, success and attrition is limited and may not always reflect the actual on-the-ground reality.

UA notes that the Department of Education and Training is currently re-examining the definition of regional and remote status. This, combined with the Review of Equity Groups now beginning and the HEPPP-funded Australian Higher Education Equity Ranking project will assist developing a more accurate measurement of regional students' participation and success in higher education.

There is a need to ensure that measures of attrition in particular are sensible and take due account of background characteristics of students and institutions. Regional universities and their students are very diverse and, as stated above, regional students are more likely to have interrupted study patterns. Consideration needs to be given to what 'attrition' actually means in relation to this student cohort.

### **Recommendation 3**

That Government and the higher education sector collaborate on developing more accurate measurements of regional students' participation, success and attrition in higher education.

## **Student Support**

### ***The cost of studying***

Cost is a major barrier for people from rural areas accessing higher education. The annual living costs for regional/rural students living away from home in 2010 were estimated to be \$15,000 to \$20,000 plus relocation and establishment costs of \$3,000 to \$6,000.<sup>16</sup>

While most students seek to cover these expenses through seeking employment, in regional areas employment opportunities, especially for young people, can be limited and are often seasonal in nature.

### ***Income Support Provision***

UA considers that the overall student income support system is fit for purpose and generally well targeted.

However, we note that the proportion of regional students deferring tertiary study and undertaking gap years after completing high school is considerably higher than the proportion for their metropolitan counterparts.

It has been suggested that many students are taking gap years in order to meet the independence criterion for access to income support payments (currently set at 14 months). This suggests that for many regional students gaining access to student income support is a precondition for access to university study.

If so, a review of income support settings would be prudent.

#### **Recommendation 4**

That the Review recommend a reconsideration of the independence criterion for access to student income support payments.

### ***Social and pastoral support***

Social and pastoral support have also been mentioned by regional students as a gap, although universities offer a variety of support services to assist. Figures from the recent report on the mental health of university students<sup>17</sup> suggest that rural and remote students have a higher prevalence of psychological distress at university than those from metropolitan areas often due to issues of social dislocation and cost.

While funding is provided for rural health clubs, most similar services do not receive specific funding. Ensuring dedicated funding to support the continuation of such services is an important factor in supporting rural and remote students to transition to, and stay in, higher education.

### ***Accommodation***

Finding accommodation for rural students in metropolitan areas can be as problematic as finding accommodation in rural areas for metropolitan students who undertake rural rotations for health

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<sup>16</sup> National Rural Health Alliance 2010. Fact Sheet 6 – Further Education and Health: <http://bit.ly/2x7rQ2Y>

<sup>17</sup> Orygen, 2017. Under the radar: the mental health of Australian University Students: <http://bit.ly/2x7E4bX>

or other courses. Some universities have overcome the later issue by securing accommodation in rural areas expressly for such purposes.

Support for universities to attain dedicated accommodation for rural students who move to metropolitan areas may assist with the reverse situation. Income support for rural students may also assist.

## **Scholarships**

### *Student Start-Up*

The Student Start Up Scholarship ended for all students on 1 July 2017. It was replaced by a loan that is added to a student's HELP debt.

UA did not support this change.

The scholarship was initially a top-up payment available to students on income support, who by definition were financially in-need. These students will now exit study with higher debts, effectively paying more for their study as a penalty for needing additional support. The policy intent here appears counterproductive and unfair.

### *Relocation*

UA supports the ongoing provision of Relocation Scholarships to regional students (and to other students planning on studying in the regions) who are in receipt of Youth Allowance and ABSTUDY. For many students this scholarship would make the difference in deciding whether or not they can afford to undertake tertiary study.

### *Rural and Regional Enterprise*

Rural and Regional Enterprise Scholarships have recently been introduced by the Government to provide additional funding for up to 1200 regional students studying STEM subjects, a discipline area in which regional students are traditionally underrepresented.

The value of these scholarships is relatively high at \$18000, but UA notes that the number of students affected will be small and the resources available for the scholarships will be exhausted after only two funding rounds.

UA will be interested to see the results from this scheme. If successful, it may provide a model that could be expanded to other at-need areas of higher education. As a cautionary note, previous attempts at addressing discipline shortfalls through financial incentives have not demonstrated sustained success or effectively broadened a discipline's appeal.

## **Clinical Training Provision**

Health professions have limited clinical training opportunities in rural areas. Quality rural clinical placements increase the likelihood that students will return as qualified health professionals to rural practice. While various programs are in place to help address this, more rural placements are required especially for nursing and allied health students.

Doctors must also take up intern positions following their university training. Students both of rural and metropolitan origin wishing to pursue rural careers can be forced back to the city if insufficient training places are available in rural areas.

A number of programs to increase rural placements and training positions already exist for example Rural Clinical Schools (RCSs), University Departments of Rural Health (UDRHs), the Rural Health Multidisciplinary Training (RHMT) program implemented through the Commonwealth Department of Health and targets for rural origin students to undertake health professional education courses at University. Where available, evaluations show some impact of these programs both on increased participation by rural students in health professional education and on subsequent increases in health workforce in rural areas.<sup>18</sup>

Both RCSs and UDRHs help attract health professionals to practise in rural and remote communities. They provide education and training facilities in non-metropolitan communities, develop and deliver academically enriched clinical education/training and manage and coordinate placements in rural areas. They know their local communities well and may be able to support local schools and teachers to meet individual learning needs if resourced to do so. The number of UDRHs has recently been extended which will further support rural health professional training.

The RHMT program also offers promise including increased training positions for medical interns in rural areas, however it is too early to assess its impact.

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<sup>18</sup> Eley D, Synnott R, Baker P and Chater A. 2012. A decade of Australian Rural Clinical School graduates – where are they and why? Rural and Remote Health 12: 1937

Mason J 2013. Review of Australian Government Health Workforce Programs. Chapter 4. <http://bit.ly/2k6V0Lr> Accessed January 2017