

**SUBMISSION TO THE REVIEW OF
AUSTRALIAN HIGHER EDUCATION**

SUBMITTED BY WARRNAMBOOL CITY COUNCIL



July 2008

29th July 2008

Secretariat
Review of Australian Higher Education
Location 023
GPO Box 9880
CANBERRA ACT 2601

Dear Sir/Madam,

1. Introduction

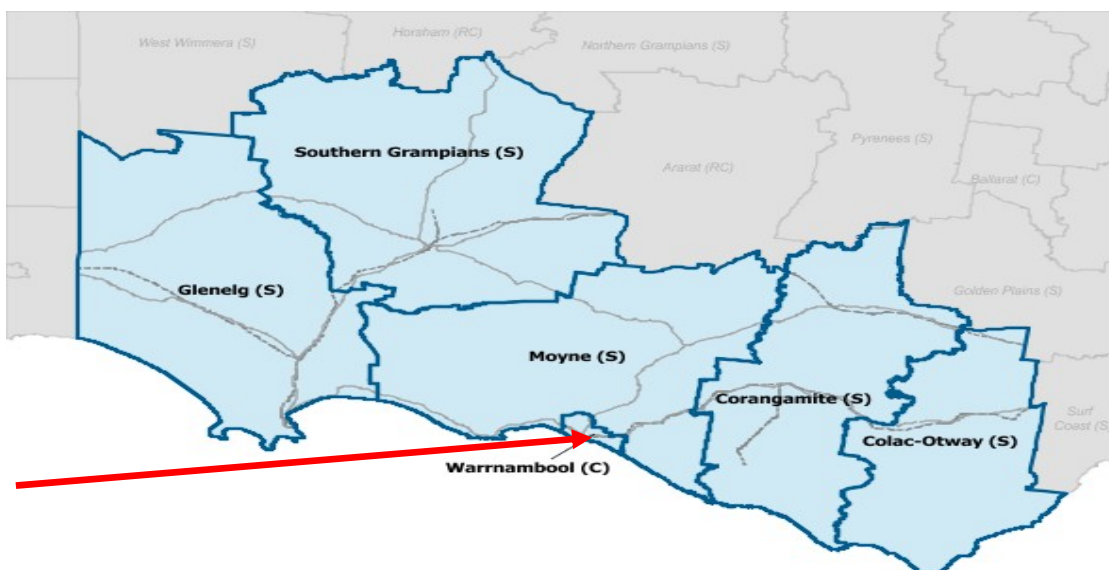
Warrnambool City Council ("Council") welcomes the opportunity to contribute information to the Federal Government's Review of Australian Higher Education. Council is committed to the sustainable growth of the Warrnambool region and is acutely aware of the critical regional development role that higher education plays in South West Victoria. In particular, the regional operations of Deakin University's Warrnambool Campus are of critical importance to the life and vibrancy in Warrnambool and the surrounding regions.

2. Warrnambool

In presenting this submission, Council initially wishes to provide a brief overview of Warrnambool that in turn impacts on some of the matters that will be raised in it.

Warrnambool is located in south-western Victoria, about 260 kilometres from Melbourne. Warrnambool is Victoria's largest coastal City outside Port Phillip Bay, and is one of Victoria's fastest growing regional cities with a current population of approximately 32,500.

Council attributes this growth to the strength of its diverse regionally-based economy and the liveability of the City and its region. Warrnambool and the broader region is going through an unprecedented level of growth with an exceptionally strong level of new investment proposed for the region. Council's data indicate that the new investment in the region (both proposed and/or commenced) is in excess of \$6 billion.

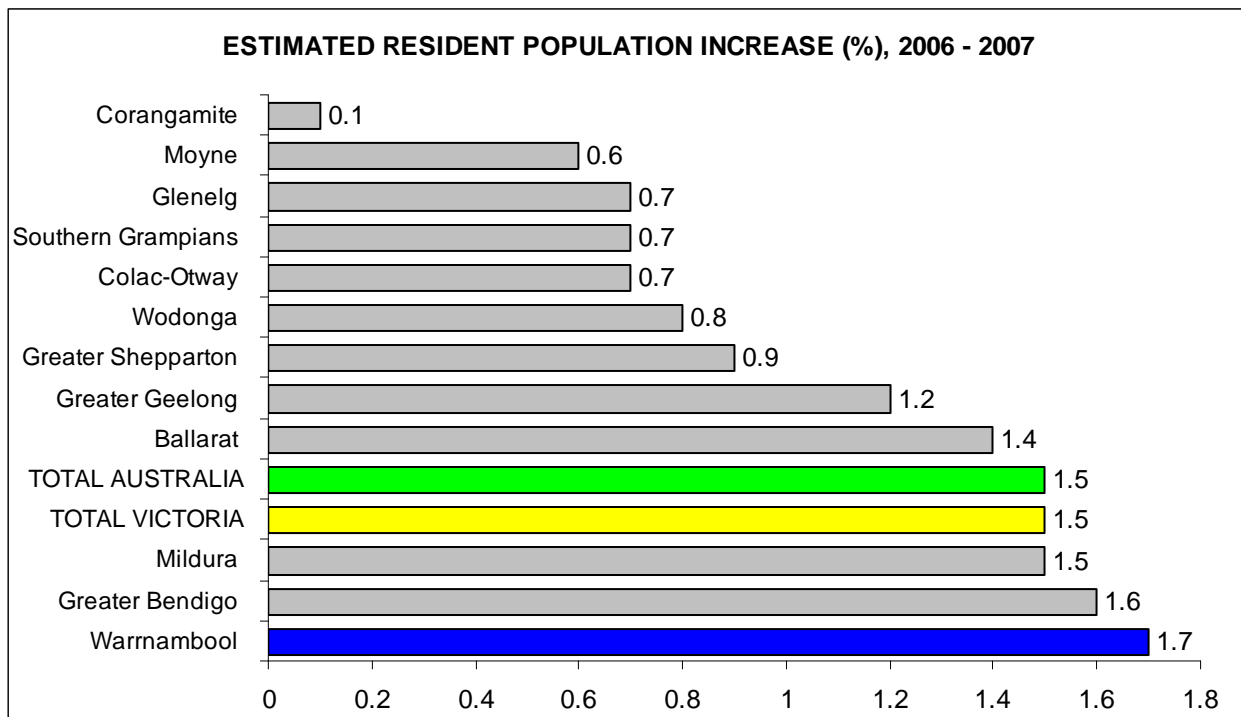


The strategic importance of Warrnambool is underpinned by its location as:

- the Western Gateway to the Great Ocean Road tourism region;
- the retail, professional services and commercial hub for the Great South Coast region;
- the Australian centre for dairying and milk processing; and
- the health and education centre for the Great South West Coast Region.

Figure 1 below shows Warrnambool to be one of Victoria's fastest growing cities reporting a growth rate of 1.7% per annum in 2006/07.

Figure 1



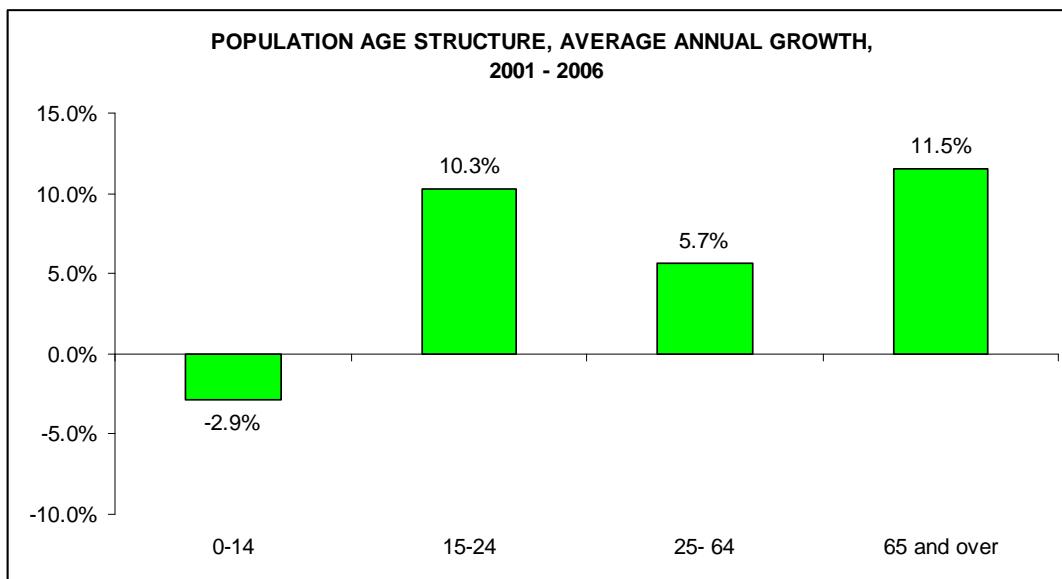
Source: ABS, 3218.0 - Regional Population Growth, Australia, 2006-07

Population projections published in 2004 by the Victorian Government's Department of Planning and Community Development forecast Warrnambool's population to rise to around 38,000 by 2021. Based on more recent analysis undertaken by Council, this figure is viewed as conservative. Council suggests that the City's projected population could be around 43,000, or possibly higher, by 2021. Council is planning for a City of 50,000 by 2030.

Warrnambool's role as a regional hub for retail, commercial, trades, education, health and professional services means Council provides an extensive range of services not only to Warrnambool but to the broader South West Coast of Victoria catchment area. The provision of these services plays a pivotal role in the health, social and economic wellbeing of the broader community. It also means Council must gear itself to service a population that is significantly higher than that which resides within its municipal boundaries.

Figure 2 below sets out the average annual growth rate of Warrnambool's residents by age structure over the period 2001 - 2006. Warrnambool has an ageing profile which is consistent with the Australian population in general. However, Warrnambool's population is also above the Regional Victorian and Victorian State average for all age categories between 0 to 24. The capacity of Warrnambool to attract and retain families is evident. When coupled with the ageing profile, considerable demands are placed upon Council to provide and expand services to support this population.

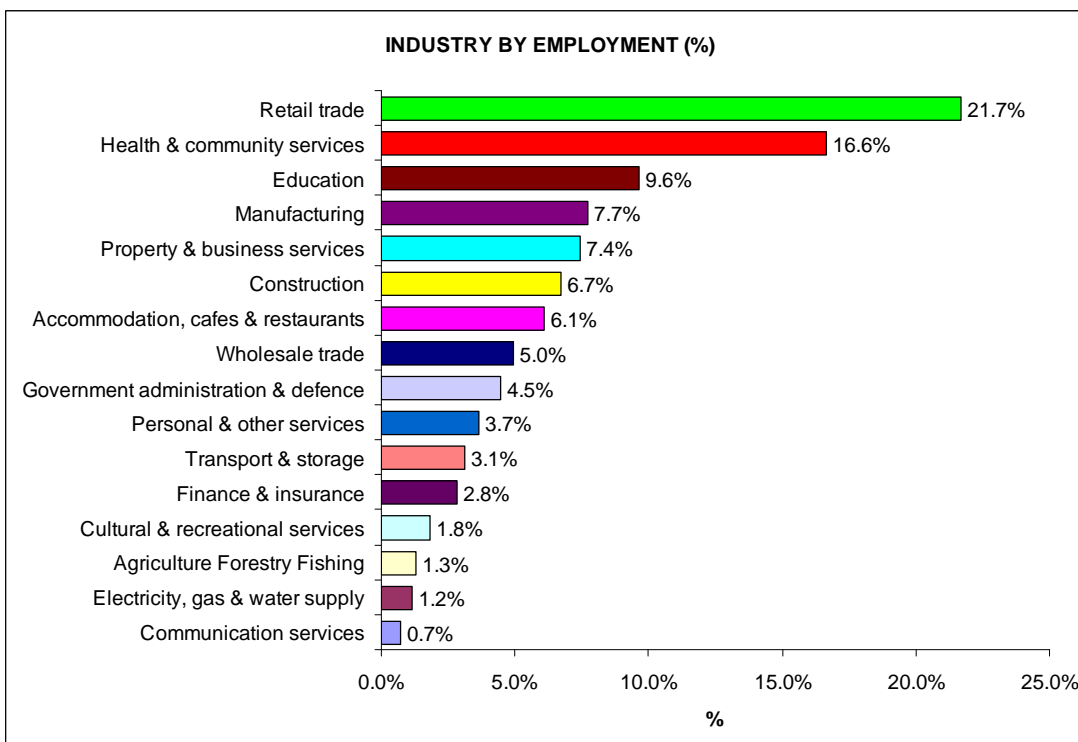
Figure 2



Source: ABS, Census of Housing Population, 2006

Figure 3 below details the leading industries by employment in Warrnambool. Almost 10% of total employment in Warrnambool is driven by the Education sector. The importance of a strong retail and manufacturing sector, and the provision of quality healthcare and education in the region, is evident.

Figure 3

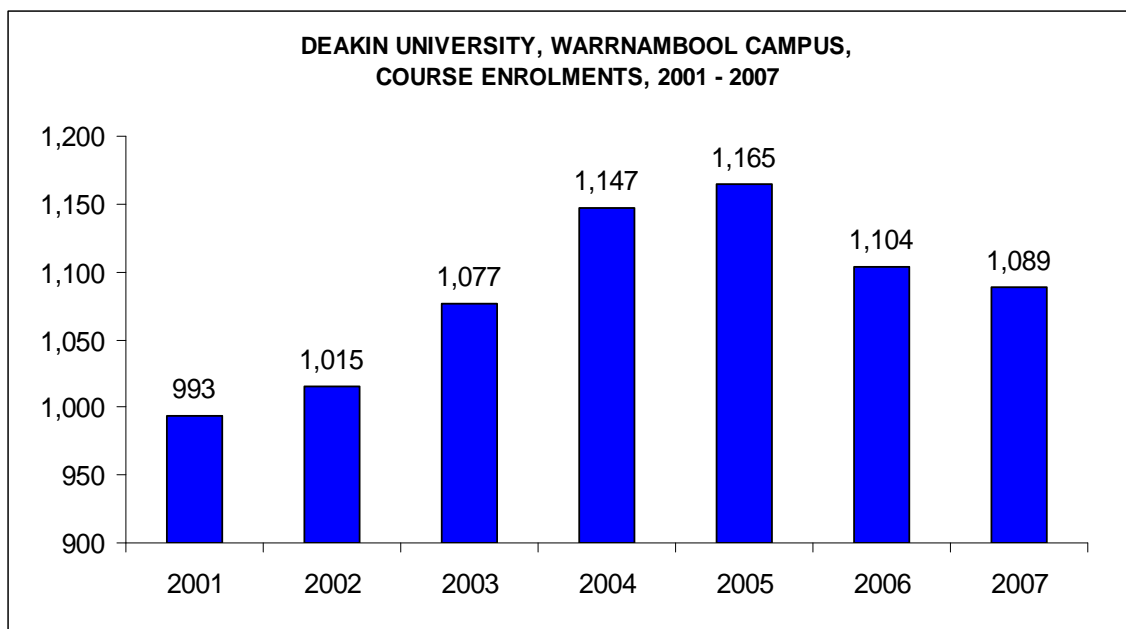


Source : REMPLAN, Region specific economic data, 2008

3. Warrnambool's Senior Education Sector

Within the City's boundaries are Deakin University's Warrnambool Campus, the Warrnambool Campus of South West TAFE and four secondary schools.

Deakin University's Warrnambool Campus is situated on the Hopkins River and occupies 114 ha. The University's five faculties each offer degree programs (about 20 in all), the largest enrolments are in the Nursing and Primary Teacher Education programs.



Source: Deakin University

There are some 1100 on-campus students (including 240 on residence) and the staff also support a large number of students who study off-campus or in flexible mode, especially those taking courses in Business and Law. There is a strong research focus on environmental science (especially marine biology and catchment management) and more recently, with the establishment of the Greater Green Triangle University Department of Rural Health there has been a major development in research into public health issues such as cardiovascular disease, diabetes and obesity.

Deakin University's Medical School was formally opened in May this year. In association with Deakin University, a 68 student medical school will be built at the Warrnambool's Hospital.

In 2007, Council and Deakin University entered into an Agreement that involved the partners working closely together in the areas of student recruitment, research, student accommodation and work placement and other appropriate endeavours.

4. Terms of Reference

Council notes the far-reaching nature of the Review and the issues forming the Terms of Reference (ToR). As indicated in this submission, there continue to be differences in higher education participation between metropolitan and non-metropolitan areas across Australia. Council's submission seeks to specifically address the following ToR.

- ***Underpinning social inclusion through access and opportunity***

Supporting and widening access to higher education, including participation by students from a wide range of backgrounds.

University Participation Rates from South West Victorian Schools

The Victorian Government's On Track student destination data consistently indicate university participation rates by south-west Victorian students are less than the State average.

Deakin University has monitored participation rates over several years for the dozen or so secondary schools nearest its three Campus locations in Melbourne, Geelong and Warrnambool. The participation rates are typically in the order of 65%, 48% and 32% respectively. Of concern is that in contrast to the eastern suburban schools in Melbourne, the participation rate for the south-western Victorian schools are either static or declining. Furthermore, there are schools that demonstrate chronic under-representation in higher education (in both the south-west and in the Barwon areas of Victoria).

Council is concerned with the long term consequences of low university participation rates. It believes there are considerable advantages that flow not only to the individual but also to the wider community if more secondary students opt to enrol in university.

Rates of Deferrals of University Offers

Rates of deferral for south-western Victorian students who are offered a university place (average 17%) are double those of Melbourne metropolitan students. The number of deferrers who return to study varies but at Deakin's Warrnambool Campus, between 50% and 80% usually enrol the following year. Warrnambool's largest secondary school, Brauer College, reported that in 2007, 48% of its 2006 year 12 cohort who were offered a university place deferred the offer.

Why do so Many Students Defer?

There have been several surveys of students in the south-west in order to determine the reasons for the high deferral rate¹. Financial concerns are foremost. Most students defer their studies and work for one year in order to qualify for independent youth allowance from July the next year. The Armed Forces Gap year has proved very popular in 2008.

While other reasons are evident (e.g. travel; need a break from study; uncertainty about future career paths), the main difference in deferral rates between rural and metropolitan students is financial. A view has been expressed that rural communities are more debt averse than metropolitan ones, although we know of no evidence in support of this claim. Instead, there seems to be genuine financial insecurity for potential higher education students from the Warrnambool district, most of who have to relocate in order to study at university.

Where do Students Choose to Study?

The percentage of "local" students who enrol at a university who choose Deakin's Warrnambool Campus has been increasing. Nonetheless, over two-thirds still move – especially to Melbourne, where the costs of accommodation exceed those for locally available institutions. The reasons most students relocate include:

- appropriate courses are not available locally;
- perception that Melbourne-based institutions with higher ENTER cut-off scores are more prestigious; and
- desire to experience other locations.

Deakin's Warrnambool Campus is the most popular study destination for students from the south-west of Victoria². The University of Ballarat is also popular, especially as it offers programs in Human Movement, Physical education and IT that are not offered at Warrnambool.

¹ Unpublished surveys have been conducted by Deakin University as well as by others. A major project tracking deferrers is being undertaken by Local Learning and Employment Networks.

² In 2005, 560 Western District students enrolled at university, 24% (136) of these were at Deakin Warrnambool. In 2007, 700 undertook university studies, of which 30% (206) chose Deakin Warrnambool. The number of school leavers who enrolled in TAFE declined from 88 to 59 over the 3 years. 90% of students who studied Primary Teacher Education did so at Deakin Warrnambool (in 2007), 67% Nursing, 31% Commerce and 25% Arts.

One would like to think that the reason more south-west students are selecting Deakin Warrnambool as their first choice institution is because they consider it offers appropriate, high quality programs. There is certainly a number of families for whom studying locally is the only option because of finances.

What are the School Leavers Doing?

The south-west of Victoria has (relative to Melbourne)

- Fewer students studying at university;
- Fewer students studying at TAFE;
- More students opting for VET or an apprenticeships³; and
- More school leavers directly entering the workforce.

Council is pleased with the high numbers of students that opt for an apprenticeship or undertake VET studies. The Regional Skills Shortage (Warrnambool District) conducted by the Victorian Department of Communities highlighted the current and future skill shortages in the region. Importantly, 28% of employers expected employment growth in their business in the next 12 months (2006) and 53% expected to recruit staff in the next year.

However, local school careers advisors suggest many school leavers are taking up part-time and casual positions, especially in retail and hospitality. This lack of investment in their future training and further education leaves such young people vulnerable in a changing job market. Tertiary institutions have recently been targeting those students who elect to directly enter the workforce instead of undertaking further studies and training in an effort to convince them and their families that further education is a personal investment for the future.

Some two-thirds of students who enrol at Deakin Warrnambool (and also at the University of Ballarat) are the first in their families to study at university. There is some evidence that in contrast to families in Melbourne's eastern suburbs (where more parents have enjoyed the benefits of a university education) that parents in western Victoria are less likely to encourage their children to proceed on to higher education. Of course there are exceptions to this observation. Nonetheless, the *Can My Wallet Afford It?* campaign run by Deakin in regional Victoria over the last two years aims at providing parents with information – not only on the true costs of further study (fees, accommodation, study needs) but also the benefits a university qualification provides.

Long-term Effects of Low University Participation Rates in the Region

While most local skill shortages are in trades, there are growing numbers of professional skill shortages, especially in allied health, engineering, surveying, environmental health, secondary teaching (certain subject areas), project management and finance

Local employers describe a situation where job vacancies may be filled by recent graduates from Melbourne, but the new employees will remain only for one or two years before being attracted back to Melbourne or elsewhere – either by better pay and conditions (e.g. engineers) or a desire to return to family and friends. This is a very costly exercise for employers. The situation is especially prevalent in some allied health fields (pharmacy, physiotherapy, occupational therapy etc.).

A senior partner in a large, local law firm has stated that all things being equal, their firm prefers to offer employment to local applicants as they are more likely to show a stronger commitment to remain in the district.

There has thus been a campaign by regional universities to encourage local students to study at their nearby, regional university campus. Such a move has been supported by employer groups and others as evidence suggests graduates are more likely to seek work where they trained.

³ Brauer College reports on the success of VET and VCAL programs with high numbers of students sought by employers for apprenticeships after year 11. This reduces school retention figures. The school also notes the relatively fewer VET courses that attract girls.

(Deakin University mounted an advertising campaign some years back featuring successful graduates who worked locally. The campaign was called *Earn where you Learn*).

There is also evidence that even graduates who relocated to study at a regional university campus are more likely to be willing to work either in that same region, or elsewhere in the a rural or regional environment. For example, the B Com at Deakin Warrnambool used to attract students who were unable to gain a place in Melbourne, or students who wished to move for a lifestyle change. Sinclair Wilson – the largest accounting firm in Warrnambool – describes how over 40 graduates from the Warrnambool B Com have been employed in their business. Partners have frequently stated that if the university campus was not present, they would be far less likely to be able to fill vacancies as readily. Similarly, the B Env Sci with specialisms in catchment management, resource management and freshwater biology and management, attracts students from all over the State. The Glenelg-Hopkins CMA has employed around 20 graduates from this program in recent years. Thus the local university campus has actually boosted the local human capital pool by having graduates remain in the region, even though many were not originally from the south-west.

These observations confirm information provided to the Victorian Government's *Inquiry into Retaining Young People in Rural Towns and Communities*. For instance, the University of Ballarat stated that 75% of students who graduated from the University and had a regional/rural background (and 60% of those from a metropolitan background) 'go on to start their post-University employment in a regional area' (p. 211).⁴

The number of students in VCE in the south-west has been declining or at least static. This, coupled with a low university participation rate means that professional skill shortages in the region are likely to be exacerbated. The population of the City of Warrnambool is growing faster than ABS predictions and there have been strong developments in industry (dairy, meat, manufacturing, transport) and service professions (health, education, government). Warrnambool and surrounding region is going through an unprecedented level of economic growth. A recent survey (2005) by local government authorities comprising the Great South Coast region (Warrnambool City Council and Shires of Moyne, Glenelg, Southern Grampians, Corangamite and Colac Otway) revealed an exceptionally strong level of new investment proposed for the region. The survey findings indicate that new investment in the region (both proposed and/or commenced) is in excess of \$6 billion.

Council is concerned such future growth may be unsustainable given projected professional skill shortages. The 2005 Warrnambool Business Survey supports this conclusion: about 30% of businesses had difficulty in recruiting skilled workers, 45% expected their workforce needs to change in the next two years, and 79% saw their businesses growing.

There is evidence that a well educated community has high rates of volunteerism and skills to fill board, committee and advisory body positions. One writer describes communities with high levels of tertiary trained members as having a "stronger participation in the democratic process." Graduates bring skills, experience and leadership to regional communities.

The Department for Victorian Communities report 'Community Strength', 2007, outlines trends and a set of Indicators of Community Strength in Victoria. Interestingly, the Report indicates that Warrnambool community is below the Victorian Regional average in a category where proportion of respondents said that they participate in a decision-making board or committee. Such a finding is thus consistent with the low rates of participation in higher education in the south-west.

Council strongly supports the presence of a viable and thriving university campus in its region. The low participation rates and financial barriers to further study potentially threaten this.

Benefits to the Region in Having a Strong, Viable University Campus

⁴ Rural and Regional Services and Development Committee, Parliament of Victoria (2006) *Inquiry into Retaining Young People in Rural Towns and Communities* (Government Printer: Melbourne).

Regional universities bring considerable economic benefits to their communities. The Western Research Institute (CSU) recently analysed the economic contributions Deakin University made to its communities in Melbourne, Geelong and Warrnambool. The Warrnambool Campus (in 2007)

- contributed \$32 m to the regional economy;
- generated \$13 m in household income;
- created 216 equivalent, full time jobs; and
- contributed 3.6% of the gross regional product, 2.5% of the region's household income and 1.7% employment⁵.

Human capital development aspects have been previously mentioned. However, Council believes it is not just that regional campuses provide a qualified, skilled professional workforce, but also an articulate, flexible and skilled part-time student workforce – important in a city such as Warrnambool that has a heavy investment in tourism.

Regional universities produce valuable outcomes from quality research that is carried out. The Deakin Warrnambool Campus earns between \$2-3 m in external research grants annually. Much of this research is applied to local issues and problems, especially in environmental enhancement, regional sustainability and public health. There are many examples locally where Deakin's research, while being of international significance and standing, has made considerable improvements to the region's operations. For example, Deakin research has provided river managers with an objective assessment tool that enables decisions to be made about estuarine river mouth opening. The marine mapping research Deakin scientists are undertaking has proved invaluable to near coast off-shore habitat management and exploration and will be used to allow best management practices of the marine environment by the gas industry, recreational and commercial fishers and nature conservation authorities. Much of this research is partnership-based in which the university works with industry, business, government and community partners in genuine collaboration using an engaged scholarship approach.

Regional universities are also important in enhancing social capital development – the range of social networks that create better working and more contented communities.

Having a strong and active university campus in regional cities increases the cities' "liveability". A person's decision to move to a regional location (for work, residence or investment) is determined by a number of factors including provision of suitable services. These certainly include access to a viable university campus. Council is a member of Regional Cities Victoria (RCV) group, a partnership of 10 Victorian major regional cities. To fast track the trend towards regional growth, RCV has a vision to create thriving regional centres that are strong alternatives to Melbourne for investment and location. Warrnambool as a regional city provides access to jobs, healthcare, transport networks, natural resources and land, and education. There is no doubt the presence of Deakin University's Campus in Warrnambool increases the City's attractiveness to potential residents and adds to its overall "liveability".

Council also believes the regional campus Deakin operates at Warrnambool provides sporting and cultural opportunities that might otherwise be unavailable to the community. The Campus has a 9 hole golf course that is well patronized by the public, a fitness centre that especially encourages over 55s, a community membership scheme for its library and U3A members can audit university classes free of charge.

Council understands that regional university campuses generally require subsidies to run effectively. For example, the Warrnambool Campus is thought to require a subsidy of around \$9 m annually; other regional university campuses report similar trends.

Council believes it is essential that Deakin's Warrnambool Campus continues to operate in the effective and significant way it has to date. Any diminution in size or function would deleteriously affect the City and its region by reducing the considerable benefits outlined above. The Campus will become more viable by having a stronger enrolment in its undergraduate and higher degree by research programs. Thus Council supports initiatives that will lead to an increase in the rate of

⁵ *The Standard* 4 March 2008, p. 7.

participation in higher education by local students. Deakin's Warrnambool Campus is already attracting an increasing proportion of local students who opt for further study; the difficulty is that this is an increasing share of a declining market.

Challenges and Strategies

a) *Need to provide greater support for regional university campuses*

The Commonwealth Government already recognises the need to financially support regional university campuses by providing a modest regional loading that is based on distance from a capital city, and campus size. In the lead up to the 2007 Federal election, universities lobbied for a 10 fold increase in this regional loading to offset the need to cross-subsidise the small, country-based campuses. Council believes there is a need to increase this regional loading.

Council also believes there might be a role for Federal Government to similarly support regional campuses through their regional development portfolios. There is a need to co-ordinate research activities that focus on regional growth and development in Victoria. Currently, for example, there exists an *ad hoc* group of researchers interested in such issues but the group needs co-ordination and a formal structure (Victorian Universities Regional Research Network <http://www.vurn.com/>). They offer an untapped resource that could prove beneficial to regional growth.

The Government could establish a regional campus heads forum to explore common issues and difficulties and to provide an opportunity to share resources, courses and solutions to problems.

There is also an opportunity for the Government to provide additional financial support for regional students who want to study at a regional campus, in the form of accommodation and academic scholarships. (*Note: Council already provides scholarships to students at the Warrnambool Campus*).

It is important that regional university campuses offer a sufficiently diverse range of courses for local students. This may mean providing only years 1 and/or 2 of a program and requiring students to complete their studies either elsewhere or in off-campus mode. The *Inquiry into Retaining Young People in Rural Towns and Communities* certainly recognized State and Commonwealth governments needed to support the amount and diversity of regionally-based university education (*op. cit.* p. 212).

b) *Schemes to encourage rural and regional students to attend university*

Strategies might include

- Establishment of a rural and regional cadetship scheme. Some local employers in the south-west have expressed support for a scheme that has students undertake meaningful holiday work and/or part-time employment with a future employer who would guarantee suitable students a job at the end of their course. Such a scheme might need to be co-ordinated by an appropriate Commonwealth or State government agency.
- Promotion of benefits to students and their local communities of investing in further and higher education, along the lines of Deakin's *Can My Wallet Afford It?* regional tours and visits.
- Providing more incentives for regional campuses to offer a wide range of courses in a cost-effective way. Strategies might include sharing of resources and programs between regional university campuses, more use of on-line learning and video conferencing, enhancing broadband access to all regional campuses and facilitating use of TAFE and local government facilities for some university activities such as lodging of assignments, tutorials, enquiries etc.
- Independent Youth Allowance should be payable after 12 months 'independence' not 18 months. For students who must relocate to study at university it should be non-means tested and made available immediately.

- Provision of rural bonded scholarships in a wide range of fields in which regional and rural centres have chronic professional skill shortages.

I wish the Review Panel success with this Inquiry and commit to support you with additional information as required.

**BRUCE ANSON
CHIEF EXECUTIVE
WARRNAMBOOL CITY COUNCIL**