

Accord Interim Report – Response

Richard Speed¹

I submit in a personal capacity as a former PVC (Regional)/DVC (Global and Regional) at La Trobe University, with considerable commitment to and experience of seeking to increase regional higher education attainment. In my previous submission I highlighted the constraints under which regional campuses currently operate and made a case for incremental investment (I recap that argument in attachment 1). I thank the Panel for embracing in the Interim Report both the economic development and social justice arguments for investment in increasing regional attainment, and also championing a move away from existing allocation mechanisms towards something more needs based and closer to the Gonski-style models advocated by many submissions.

In this Executive summary I focus on the Regional National University system, primarily as a mechanism to drive immediate growth in equity group participation, with greater certainty and lower transaction costs than current approaches. I have proposed a system that is very open in terms of institutional participation. However, it is clear that such a system has considerably greater potential if the process is viewed as a longer term project with staged development, always focused on transforming regional higher education participation and attainment, status and rankings, and research engagement and outputs. Some thoughts on that long term potential are given as attachment 2.

Whilst focusing on immediate investment and how that might be co-ordinated and managed for maximum impact, it is also important to prioritise working in our regions to create a supportive local community culture. Specifically;

- A culture that sees the delivery of higher levels of educational attainment in our regions as a whole of community issue. The biggest challenge to attainment is employment at a lower skill level.
- A commitment that means throughout our regional communities young people know they are supported to attain the highest level skills they can,
- Employers are assisted to support staff to continue their skills development,
- At all levels in all regions the outcome of education is a valuable job coupled with the promise of support for further training to the next level of skills the community needs. Students who can and wish to progress to higher skill levels must be supported to do so. This is a practical application of the universal learning entitlement proposed in the Interim report.
- Close and flexible co-ordination between higher education and TAFE is essential, with maximum recognition of prior learning and relevant life experience, and with regulation of both sectors adapting to support specific regional challenges.
- Engagement with State Governments to ensure the removal of border anomalies arising from state-based differences in the delivery of TAFE.

Delivering Regional Attainment

Current allocation models to support regional attainment have two basic flaws. Allocations based on the composition of a campus' student body reflect what has been achieved, rather than what needs to be done. One-off allocation from a pool of funds based on a competitive submission lead to impermanent support when the need for support is ongoing.

The Interim Report is right to suggest a move towards a funding model that allocates resources geographically and on an ongoing basis, based on the needs of the students (for support) and the

¹ This submission has benefited substantially from the advice and expertise of Michael Wells, Managing Director of Wells Advisory, particularly with respect to regulation and governance. Errors remain my responsibility.

participation shortfall in the community (for outreach) links directly to the changes that are sought, and will provide ongoing funding overtime (p11)

These models drop the competitive aspects of the process, which is a preferred way for government to reassure itself about effective use of funds. The risk is that allocating funds long term to a particular recipient does not necessarily contain an incentive to improve performance. The need to assure performance is why I advocate of delivery of this incremental investment through a National Regional University structure, which I discuss below.

Investment in Support and Outreach

In considering incremental investment in outreach and support there is a model based on geography and on community that can be adapted. That underpinning the Regional University Hub program. Those investments are made in communities with no local higher education infrastructure, and the scoping work undertaken for the Department of Education, Skills and Employment is, in part, an assessment of community need.

Across Australia there are multiple university campuses, some part of regionally headquartered universities, some part of metro headquartered universities. Approximately forty-five regional university campuses are eligible for Regional Loading. There are also regional TAFEs and regional TAFE campuses. All of these are serving communities higher educational attainment is lower than acceptable and where growth would significantly contribute to the skills available both locally and nationally.

All Commonwealth Government spending on Regional University Hub program is incremental investment, and it yields a return in student success. Every student utilising an RUC generates the same funding for the university whose degree they are undertaking as would be the case if they were studying alone at home. The Regional University Hub support is funded separately from this, and it is clear incremental investment in additional outreach and support.

It is difficult to assess the scale of the incremental investment but, from material in Accord submissions it appears the funding level per student per year is equivalent to 2 or 4 times the current regional loading. Such and incremental investment can be made into communities that need it and co-ordinated through regional National university system.

Investment in Industry Support

I noted in my previous submission that regional campuses tend to have strong engagement with local industry, particularly in sectors such as health and education, where community organisations are often placement providers, employers, research partners and a source of students. Many of these organisations are Government owned or funded.

A commitment by all levels of government to support regional employees to upskill to a similar level to their metro counterparts provides a direct boost to institutional scale and will assist in underwriting programs.

This investment to be made through campuses in the regional National university system.

Investment in Infrastructure

Noticeable in the submissions and in the Interim report (p126-7) are a lot of concerns about the lack of funds for infrastructure, but no significant solutions have been brought forward. Government has made limited investment in regional education infrastructure since the demise of the Education Infrastructure Fund, but much of this has been announced ad hoc as election commitments. A National Regional University gives a chance to prioritise and plan within the network to ensure investment is driven by need.

Co-ordination

Economists have always believed in the “discipline of the market”, where the potential to be replaced by a competing supplier creates an incentive for efficiency and improvement. There are assumptions behind this,

many of which are about the availability of information, uncertainty, and opportunism. The more costly the information, the greater the uncertainty and risk of opportunism, the higher the transaction costs and the less reliable the market mechanism becomes.

A program of ongoing incremental investment across multiple locations and co-ordinated through contracts with many separate organisations risks very high levels of transaction costs. The traditional solution to this problem is to replace the market with hierarchy. It is on this basis I recommended a Regional National University.

The Regional National university is recommended as a mechanism to enable co-ordination of incremental investment in regional attainment. In the absence of such investment, the benefits of a regional national university are less clear.

Establishing a Regional National University system requires some work on principles to underpin the system, and on commitments and benefits to ensure all receive value from participation. A basic principle suggested is that the Regional National University serves its communities, and it is these communities that make a campus/institution eligible for incremental investment. The incremental investment brings reciprocal obligations to ensure effectiveness. Some possible principles and commitment are given in attachment 2 below. All require further consideration and investigation.

Conclusion

This paper lays out very much a bare bones case for exploring the Regional National University model further as part of the Accord process. It is a significant and complex idea, not least because of the cross-jurisdictional issues involved. Further preparatory work appears to be needed before attempting to bring stakeholders such as regional institutions on board.

Should the Panel wish to see investigation of options with specialised input on institutional design, governance/regulation, and marketing/branding, it is possible to draw together some interested experts to work on an initial scoping study on a pro bono basis.

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Attachment 1: Recap of Regional Attainment Issues

Attachment 2: Design Principles for a Regional National University System

Attachment 3: Designing for the Long Term

Attachment 4: How we learn more

Attachment 1: Recap of Regional Attainment Issues

Demand

On the demand side, in regional markets the proportion of the school leaver cohort qualified for immediate university entry is smaller than in metropolitan areas, with a higher proportion seeking work or entering the VET system. Some of these qualified school leavers have the desire, the confidence, and resources to make a choice to relocate. Other school leavers prefer to study locally, or face barriers to relocation. This limits the scale of the cohort studying locally, and, since disadvantage tends to correlate with immobility, leads to a greater concentration of equity students in the regional cohort.

The consequence of a smaller cohort training locally is fewer university graduates and so a shortage of skills relying on an HE qualification within the community, and higher level skills in particular. Increasing the proportion of school leavers qualified and motivated to study at university is a medium to long term challenge for the school system and the community as well as the universities.

The smaller pool of graduates in the community means that there is also a higher proportion of people in the community holding AQF 4-6 qualifications than in metro areas. They are qualified to commence university, and many would receive credit. There is also a larger pool in the regional community qualified at AQF 3 level, who might enter university after an enabling program or further VET study.

This cohort is older than school leavers and are more likely to have personal and family commitments that act as a barrier to returning to study. However, training up those already in a sector to higher skills levels represents the most effective short to medium term move to deliver skills locally.

The biggest challenge to educational attainment is employment at a lower skill level. The biggest regional skills shortages are at the higher skills levels. Enabling Indigenous students to become engineers is impossible if those with the potential are recruited into unskilled roles. Solving the regional skills shortages requires enrolled nurses in the regions to return to study to become registered nurses, carers to become social workers, bookkeepers to become accountants, veterinary assistants to become veterinarians. For this to happen, universities must reach out, educate, and encourage, but also employers need to enable their staff to advance and be supported to do this.

Supply Side

The supply side issue is resourcing. Deloitte Access Economics' study of the costs of delivery of higher education for Department of Education of Training concluded (Cost of delivery of higher education Dec 2016) that "the proportion of regional students (on a campus) is associated with higher average costs, even after controlling for scale" That study cannot distinguish whether this effect is due to regional students being more expensive to teach wherever they choose to study or whether it is due to regional campuses having higher underlying costs independently of other cost drivers, however it is clear that both smaller scale and higher proportion of regional students place regional campuses at a cost disadvantage.

I am pleased to see the Accord Interim Report recognise so unequivocally the resourcing challenges faced by regional university campuses seeking to address these challenges (p87). Facing greater diversity in student profile and study preferences and needs, greater diversity in sources of students and their preparedness, the costs of delivery are higher whilst scale is lower. At the same time, international student preference for older, metropolitan institutions limits regional campuses access to funds to invest.

The only solution I was able to recommend was direct investment by the Government on behalf of the Australian taxpayer, and I advanced a number of ideas on how this might be done and co-ordinated.

Attachment 2: Design Principles for a Regional National University System

Footprint and Participation

The Regional National University system will exist to serve communities in regional Australia (assessed at level to be determined such as an RDA region, LGA, or Federal electorate). The nature of the community determines eligibility, and criteria might include current and potential attainment and skills needs, as well as distribution, catchment, and service footprint.

Being below eligible triggers the availability of incremental public investment for these communities for four key purposes – outreach, support, community/industry partnership and infrastructure – with outreach and support investment being determined on the basis of local needs.

This investment is to be made locally in a university campus as a first preference, in order to underwrite other aspects of activity and infrastructure a university campus provides to its community, such as research.

In order to maximise the choice of courses available to the community, a university campus must be generalist in its provision to receive full funding. Specialised campuses (e.g., agriculture or rural medical focused locations, research stations) may join the Regional National University system and receive investment to add university hub support for non-specialised degrees.

In the absence of a university campus, or should an existing university campus not join, the investment in outreach and support will be made through a TAFE campus, or through establishing a Regional University Hub.

Access to the funding is contingent upon the campus/hub becoming part of the Regional National University system to enable co-ordination.

All locations will provide access to student support services on behalf of other Regional National University system campuses, and a base from where visiting Regional National University system staff from other campuses can engage with industry and community for research, teaching and engagement.

All locations will provide university hub support for any student living within their community studying an online degree from any Australian provider.

Assurances

The Regional National University System existing to serve eligible regional communities. Any existing higher education infrastructure within those communities can share in this mission through affiliation.

To avoid breaking up current university structures and reallocating campuses, and also to avoid communities with university campuses missing out on funding, the Regional National University System might operate as an open system, with all or parts of existing universities and TAFEs being able to join based on location. Specific commitments will be required from the parent institutions.

The investment being made is incremental, for the regional community and the communities need to be assured that the investment is flowing to where it is targeted. Where a campus is part of a university operating in both regional and metropolitan locations, all regional investment to be ringfenced. All internal investment across the parent institution is to be benchmarked for equity. Transparency and openness are required to enable this.

Where relevant, the attribution of performance outcomes (research outputs, student survey outcomes, equity group performance) between a Regional National University system affiliated campus and the campus' parent institution will be handled transparently and double counting avoided.

All campuses and institutions commit to effective and responsive engagement with the community on whose behalf they receive incremental investment. The Regional National University system will provide support, share best practice, and provide an escalation mechanism in the case of dispute.

The effort to raise regional higher education attainment is a national effort, and sharing of insights, models and outcomes in real time is required. Transparency and openness are required to enable this. The Regional National University system will provide the infrastructure and professional communities to enable this to occur.

All research active campuses will support community engagement activity to be delivered in communities served by teaching only campuses and support hubs.

Over time it is possible for greater familiarity and information sharing to enable some resource sharing for teaching across campuses and underlying institutions within the system. The Regional University System and the Australian Government to assist with any barriers to shared appointment etc.

Because the raising regional higher education attainment relies on accessible and effective pathways based on mutual esteem between higher and vocational education, all locations will have a partner from the other sector. All Hubs will have a university and a TAFE partner from Regional National University system. Adjacent campuses will work together to co-ordinate engagement with schools and communities lying at the intersection of campus footprints.

Attachment 3: Designing for the Long Term

In the Executive summary this submission has focused on the Regional National University system primarily as a mechanism to drive immediate growth in equity group participation with greater certainty and lower transaction costs than current approaches. However, such a system has considerably greater potential if the process is viewed as a longer term project and a development plan is designed and implemented focused on transforming regional higher education participation and attainment, status and rankings, and research engagement and outputs.

It is strongly recommended that the panel take the opportunity afforded in the next four months to begin a process modelling the benefits and costs, barriers and solutions to developing a Regional National University system model that is transformative for regional Australia and for the country as a whole.

Objectives

Deliver for and within regional communities in a sustainable manner by:

- Engaging effectively with local communities across regional Australia for teaching, placement and employment, research and industry engagement, and community building.
- Generating a scale in learning in our regions that has eluded the country to date.
- Delivering teaching best practice across regional Australia and remove variability driven by local scale through hybrid models that combine leading expertise with local support and deep local engagement.
- Generating quality, specialisation, and reputation in research to deliver rankings and standing that has largely eluded regional Australian institutions to date.
- Delivering a growing cohort of international students with experience of and linkages to regional Australia, and so support community linkages and the resulting soft power with our neighbours.
- Building industry and community linkages and understanding that reflect and engage with the diversity of regional Australia.

How This Might Vary – Minimal to Maximal Model

	Degree awarding/Teaching	Engaging effectively with local communities, building industry and community linkages and understanding	Generating quality, specialisation and reputation in research	Delivering a growing cohort of international students	Funding
<p>Minimalist Model</p> <p>An alliance of independent universities with minimal central governance and decision rights.</p> <p>Regional National University primarily a brand endorsement mechanism (cf OUA).</p> <p>Shared governance by agreement between member institutions.</p>	<p>Each institution maintains independent degrees,</p> <p>Local academic board approval.</p> <p>TEQSA oversight at institutional level,</p> <p>Cross institutional professional development and sharing of best practice.</p>	<p>Local independence aligns with local mission.</p> <p>Building links on behalf of community into skills across the network</p> <p>Institutions should currently be aligned with (some of) their regional communities and industries.</p> <p>Limited shared expertise between campuses with similar industry patterns (e.g.</p>	<p>Local research optimisation, institutions ranked separately,</p> <p>institutions assessed separately for research adequacy – meaning institutions must individually to be ‘at world standard’ across a wide range of fields.</p>	<p>Individual engagement with Destination Australia.</p> <p>Local partnerships and exchange</p> <p>Movement towards shared study tours and exchange arrangements</p>	<p>Funding elements:</p> <p>Core CGS & HECS</p> <p>Loadings</p> <p>Special grants programs</p> <p>Research block grants</p> <p>Research project funds</p> <p>FEE-HELP</p> <p>International student fees</p> <p>Potential land grants/disposals</p> <p>Government training contracts</p> <p>Core funding allocated to individual institutions.</p> <p>Incremental investment as outlined in executive summary distributed through RNU alliance as agreed with government.</p> <p>Contracts with the RNU alliance committing to</p> <p>all regional investment to be ringfenced. All internal investment across the parent institution is to be benchmarked for equity.</p>

		dominant agriculture, tourism, mining, food production, irrigation) and community profiles (peri-urban growth, regional decline, regional service centre)			
Intermediate model Confederation has its own federal legislation and council, state and federal acts designed to dovetail with each other, relative powers are legislated. Still retain local council / corporate governing body registered with TEQSA. Consistent branding – local university AND Regional National University System	Some shared degrees complementing/replacing local offerings. Confederate board of studies/Academic board TEQSA engagement both levels	Local engagement remains with campuses. Facilitated shared learning and best practice. Communities of practice focused on industries and community profiles. Cross institutional knowledge sharing	Centres of focus supported across the network, research allocated back to institutions, separate assessment for research adequacy.	Increased co-operation in Destination Australia applications and support strategies Possibly have central CRICOS registration, with international students enrolled at confederate level, to share benefits for all	Core funding allocated to individual institutions. All formula based regional attainment investment overseen by the centre. Special projects, additional regional places (core and additional funding) made through the centre
Fully integrated model A single institution operating at multiple locations. Each campus has a local advisory board and local leadership, governance is	Common degrees with limited local specialist degrees (e.g. marine ecology at Warrnambool) Development of hybrid models – central online delivery point, dispersed	Primary role of local campus leadership. Separate university Councils become local advisory boards with university-wide for a and engagement with leadership.	Research optimised across the network, with hub and spoke model for centres of excellence. Ranking and research assessed	Partnership with Austrade to optimise Destination Australia and post study work right benefits. Co-ordinated program across multiple locations to support Destination	Full funding allocated via the RNU system for allocation internally.

<p>through a federal act and single council.</p> <p>Decision rights devolved to local campuses as required.</p> <p>Potentially branded as “Regional Network University X campus”</p>	<p>local support and place based engagement.</p> <p>Shared academic board, local sub-committees.</p> <p>TEQSA engagement focused on the central body with local sampling.</p> <p>Integrated institution to move out of fully CBD campus delivery.</p>	<p>Advisory council drawn from all locations assists leadership/governing council.</p> <p>Internal engagement performance metrics and individual KPIs</p> <p>Campuses within the network have centres of engagement/ excellence based on industry patterns and community needs.</p> <p>Common industry patterns and community needs are an organising dimension for leadership, strategy, and research across the university.</p> <p>Building international partnerships based on industry patterns and community profiles</p>	<p>as a single institution.</p> <p>Combined assessment of research adequacy e.g. meet 50% world standard as a collective not individually. Allows specialisation.</p>	<p>Australia and Australia Award recipients.</p> <p>Establishment of partnership and joint program arrangements with networked and regional universities globally</p> <p>Multiple location study tours, executive education across different industry, ecology.</p> <p>Specialised research engagement around industry patterns and community profiles</p> <p>Economies of scale and scope in recruitment, and with benefit of more highly ranked institution</p>	
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Attachment 4: How we learn more

Currently there are perhaps four universities in Australia with significant interstate activity: ACU, Notre Dame, Torrens, and University of Divinity. Only ACU is operating with significant scale. They are distinctive in how they use branding and position themselves – ACU and Notre Dame are a single brand with different campus locations, Torrens and University of Divinity operate through separately branded colleges that have maintained their own separate brand identity.

Internationally, as noted in the Interim Report, there are the US state systems that can serve as models, and we need to understand the variety amongst these. There are also examples in Europe such as the University of the Highlands and Islands that operates through a network structure for teaching and research, and in Germany the Fraunhofer institute operates a network model in delivering applied research.

A Regional National University system has the long term potential to fully incorporate TAFE campuses delivering linked diploma and advanced diploma qualifications in a manner analogous to the 2 year/4 year college model seen in the US system. Such a model is consistent with the actions considered in section 2.2 of the Interim report. A model for this might be the State University of New York university system, which has a number of different types of institutions within it, including technical college and community colleges. The Regional National University system provides a pilot site to work on more responsive integrated regulation as discussed in section 3.1.3.2 of the Interim report.

A Regional National University system has the long term potential to expand degree delivery, not just support, through establishment of a subsidiary with University College registration. The State University of New York system also has university colleges as members alongside research universities and the technical colleges discussed above. Such a move would enable a mixture of research and teaching, teaching only and support only locations to be established across regional Australia. This is consistent with the discussion in sections 3.1.1.4-5 of the Interim report.

A Regional National University system has the potential to lead Australia's delivery of educational material online to ensure continuity of progress for those moving between locations for work or military postings. Delivery of subjects and stackable micro credentials that can be brought into all Regional National University system affiliated degrees seamlessly provides a model that maximises the opportunity for continuous study. The University of Maryland system and the University of Maryland Global Campus provide a valuable model for this.