



RESPONSE TO AUSTRALIAN UNIVERSITIES ACCORD DISCUSSION PAPER

April 2023

University of the Sunshine Coast

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Executive Summary

The University of the Sunshine Coast (UniSC) is pleased to provide a submission in response to the *Australian Universities Accord: Discussion Paper* published in February 2023.

UniSC endorses the submissions made by our two industry peak bodies, Universities Australia (UA) and the Regional Universities Network (RUN). Our submission seeks to reinforce some of the key points made in those submissions and provide additional perspectives and ideas for consideration.

Our submission is structured into the following sections:

1. Sustainable regional universities
2. Student participation and attainment
3. Student success
4. Research and innovation
5. International
6. University infrastructure
7. Regional university funding.

1. Sustainable regional universities

UniSC's host communities place a great deal of value in our comprehensive university offerings across teaching and research which reflect the needs of our regions and are consistent with our base purpose as community institutions. Constraining a regional university to a teaching only model would undermine the Government's desire to increase higher education attainment rates among underrepresented groups by reducing access and choice among regional communities.

The impact of an increasingly crowded and complicated higher education regulatory landscape is a significant administrative burden for smaller institutions like UniSC. The Accord presents an opportunity for the Government to work with the sector, regulatory bodies and state governments on a more harmonised approach to the sector's governance and regulatory frameworks.

Recommendations

1. *Regional universities remain comprehensive across teaching and research.*
2. *The Commonwealth and state and territory governments, in consultation with the sector and other relevant stakeholders, consider higher education governance and regulation harmonisation opportunities, commencing with a risk-proportionate regulatory impact assessment.*

2. Student participation and attainment

UniSC welcomes the Government's focus on improving access and opportunity to higher education and argues that the greatest gains and return on investment will come from focusing effort on regional Australia and equity cohorts who have both lower participation and attainment rates.

We support the development of new higher education participation and attainment targets; however, they need to be more nuanced and designed to address the underlying problems we are trying to solve, which will require setting targets for regional Australia as well as equity groups. To achieve these, UniSC supports a return to the demand driven funding model for regional universities and for equity groups, accompanied by more robust and contemporary equity student support policies and funding models to maximise success and attainment rates.

As a policy that fundamentally conflicts with the Government's desire to increase attainment rates for equity groups and regional Australia, UniSC advocates for the removal of the 50 per cent fail rate measure within the existing JRG Package.

UniSC argues that supporting alternative entry pathways into higher education is a key lever to further raise participation rates, particularly among the growing mature age student cohort and equity groups. More can also be done to reach school students before they form firm views and make decisions on post school options.

UniSC believes vocational education and training (VET) and higher education are critical to Australia's economic and social wellbeing and that they play distinct, yet complementary roles. Importantly we support calls for a national RPL framework and platform to enable formal, streamlined recognition of skills.

Recommendations

3. *The Government establish more nuanced higher education participation and attainment rate targets designed to drive policy and investment that address the right challenges.*
4. *The Government re-introduce a demand driven model for regional universities for students enrolling in bridging programs, sub-bachelor and bachelor degrees as well as nationally for priority equity groups, underpinned by more robust and contemporary equity student support policies and funding models.*
5. *The Government remove the 50% fail rate measure given its adverse impact on equity groups and due to universities already having robust academic monitoring procedures in place.*
6. *The Government continue to support alternative admission pathways into higher education as a key lever to raise participation rates, particularly for mature age students and equity groups.*
7. *The Government consider how to support more holistic, innovative and research informed school engagement strategies and interventions, with greater support and involvement from industry, in areas of lower education and training participation rates and amongst equity groups.*
8. *The Government consider opportunities to further integrate the VET and higher education sectors, including harmonisation of regulation, accreditation and funding, clearer articulation pathways and more opportunities for physical co-location of education and training facilities.*

3. Student success

If Australia is to increase regional and equity group attainment rates, the Government must review student income support measures and consider how to more completely and sustainably fund the diverse and dynamic range of services that universities need to provide these students with a positive and ultimately successful higher education experience.

There is a clear argument to fundamentally review current equity student support policies and funding programs, including moving from an EFTSL to student headcount funding model for regional universities to more accurately and fully fund our actual costs to deliver student support services.

UniSC contends that students with a disability, including the increasing proportion suffering from mental health issues, are the most neglected from a Government equity funding perspective. This is occurring in an environment where students reporting a disability are the fastest growing equity group in universities.

UniSC would like to see more government investment into existing and new career programs that support employment outcomes of graduates from equity groups, which remain below the national average, as well as international students.

Recommendations

9. *The Government undertake a holistic review of student income support measures to ensure they are sufficient and targeted, particularly for equity group students. The review should examine student earnings thresholds and study load requirements before allowances are impacted, rent assistance eligibility and thresholds, Tertiary Access Payment (TAP) increases for students enrolling at a regional university, financial hardship scholarships and financial support for students undertaking mandatory regional and remote placements in areas of skill shortage.*

10. *The Government review equity student support policies and funding programs with a view to moving from an EFTSL to a student headcount funding model*
11. *The Government undertake an independent audit of higher education providers to quantify the financial investment being made in supporting students with a disability to ensure the scope and funding arrangements of the Disability Support Program (DSP) remain fit for purpose.*
12. *The Government consider options to enhance existing and support new programs aimed at increasing graduate employment outcomes for equity group and international students.*

4. Research and innovation

Research and innovation remain a critical part of UniSC's contribution to our regions and our social licence to operate. An Accord should capture how regional universities can further collaborate with governments and industry to maximise their research and innovation impact, while not constraining them to pockets of specialisation. This includes addressing the disproportionate allocation of research funding (and hence researchers and infrastructure) to large metropolitan universities at the expense of regional communities.

The Accord should consider how governments can further assist regional universities and SMEs to collaborate and innovate, recognising that research impact in regional communities can be measured in many ways, not just the ability to commercialise research outcomes.

Recommendations

13. *The Government consider how to increase the distribution of research funding for place-based innovation, including incentives for regional industry to partner with regional universities.*
14. *The Government consider how to fund shared research and innovation infrastructure in regional Australia, including at regional universities.*
15. *The Government consider how it can further assist regional universities and SMEs to collaborate to drive innovation and commercialisation of research.*

5. International

While the significant economic and social contribution of Australia's international education offering is well known, given the increasingly uncertain geopolitical situation, our international relations priorities and competition by other nations' university sectors, a more holistic and sophisticated approach to leveraging Australia's international education and research strengths is needed. UniSC argues that Australia should consider implementing a British Council style body that integrates the current Austrade / Study Australia approach with broader messaging around international students and education, tourism, capacity building and foreign investment.

A transnational education seed funding model would assist smaller regional universities with limited offshore resourcing to move beyond partner identification toward the operational realities and nature of contractual arrangements for new offshore partnerships.

More can be done to encourage international students to stay and work in Australia, including unique and attractive post study work right opportunities for students enrolling at regional universities, offering post study work rights to students who obtain their degree from an Australian university in an offshore location and government campaigns to demystify and reassure employers about visa options and available support.

Recommendations

16. *The Government and industry develop a more competitive Australian higher education value proposition, including consideration of a British Council type body for Australia.*
17. *The Government consider a market entry seed funding initiative to support smaller regional universities to increase their transnational education offerings.*
18. *The Government develop additional incentives to encourage international students to study at regional universities given the economic and social contribution they make to the regions.*

19. *The Government expand post study work rights to international students who obtained their degree from an Australian university in an offshore location.*
20. *The Government develop a comprehensive and ongoing campaign to employer groups on the process for hiring international students, including financial incentives for businesses to take on international graduates in skill shortage occupations and in regional locations.*

6. University infrastructure

Quality teaching and research and student attraction and satisfaction relies on quality infrastructure and modern facilities. University infrastructure and facilities are also community assets which are regularly used by a wide range of individuals, community and sporting groups, researchers, businesses and industry groups, councils and federal and state government stakeholders.

Current university base funding does not make adequate provision for new infrastructure and upgrades to existing facilities and small universities like UniSC operating in thin markets, with fewer alternative revenue options, are challenged to fund new infrastructure projects and maintain our existing facilities. UniSC is also often ineligible to apply for funding under other government infrastructure programs due to definitions of regionality. We therefore support calls for the re-establishment of dedicated higher education infrastructure program or financing facility that duly supports the needs of regional universities like UniSC.

Recommendations

21. *The Government re-establish a dedicated higher education infrastructure program, with a set allocation for regional universities, including provision for digital asset investment such as cyber security and maintenance and upgrades of existing infrastructure and facilities.*

7. Regional university funding

Universities need a long-term, flexible, sustainable, transparent and equitable base level funding model so we can better plan expenditure over longer planning horizons that align with our strategic plans and to manage industry peaks and troughs more easily.

An Accord presents a unique opportunity to develop a funding model that appropriately supports regional universities who do the lion's share of educating our regional and equity group students. This includes better understanding regional universities higher operating costs and developing a more nuanced and consistent definition of regionality in the context of eligibility for government funding programs. University funding reforms should also reconsider measures of success, with more focus on teaching excellence, student satisfaction, graduate outcomes and employer satisfaction.

Recommendations

22. *The Government recognises that regional universities have a higher per student operating cost than metropolitan universities and develops a funding model that addresses these differences.*
23. *The Government explore the potential for enhancing higher education for regional learners by supporting regional universities to create integrated regional campus learning hubs at selected campus locations.*
24. *The Government considers a more nuanced definition of regionality in higher education, research and infrastructure funding programs.*
25. *The Government review university measures of success tied to funding with the objective of taking into account a broader and more nuanced range of measures, particularly where there are systemic and unavoidable differences between metropolitan and regional universities.*
26. *The Government develop a new, longer term, flexible, sustainable, transparent and equitable base level funding model.*

Introduction

The University of the Sunshine Coast (UniSC) welcomes the opportunity to provide a submission in response to the *Australian Universities Accord: Discussion Paper* published in February 2023.

We commend the Australian Government's initiative to create a lasting and productive alignment between Australia's higher education system and our national priorities via an Australian Universities Accord and thank the Panel and the Department of Education for their efforts to date.

UniSC also acknowledges the strong fundamentals of Australia's higher education system and highlights the important and unique role that regional universities play in meeting the education, research and community partnership needs of regional communities.

UniSC endorses the submissions made by Universities Australia (UA) and the Regional Universities Network (RUN) in response to the Discussion Paper. Our submission therefore seeks to reinforce some of the key points made in those submissions i.e. where those matters are particularly important to UniSC, our students and/or our host communities, as well as provide some additional perspectives and ideas for consideration.

We would welcome the opportunity to discuss any aspect of our submission. If this is of interest, please contact Jason Mills, Head of Government Relations, on jmills3@usc.edu.au or 0415 950 619.

About UniSC

UniSC was founded by its community in 1996 after Sunshine Coast residents campaigned for locally provided tertiary education opportunities. As the first greenfield university to open in Australia since 1975, UniSC has helped unlock the innovation, productivity and potential of its regional communities through the contributions from its 33,000 graduates and 17,500 current students studying a diverse offering of in-demand higher education programs.

Consistent with our mission to improve access to higher education in underserved locations, UniSC has strategically expanded its footprint into more regional communities, encompassing areas from Moreton Bay to the Fraser Coast. The University collaborates closely with all levels of government, regional leaders, industry, and other partners to ensure programs, research and support services align to create greater opportunities in all the areas it operates within.

On the world stage, UniSC is recognised by The Higher Education (THE) Impact Rankings as a global leader in climate action, clean water sanitation, life on land, and life below water. This ranking comes alongside the Australian Research Council's recognition of UniSC as a producer of world-class research in 26 speciality areas, including environmental science, medical and health sciences, neuroscience, technology, and psychology.

Submission focus areas

Our submission is structured into the following sections with recommendations made at the end of each section:

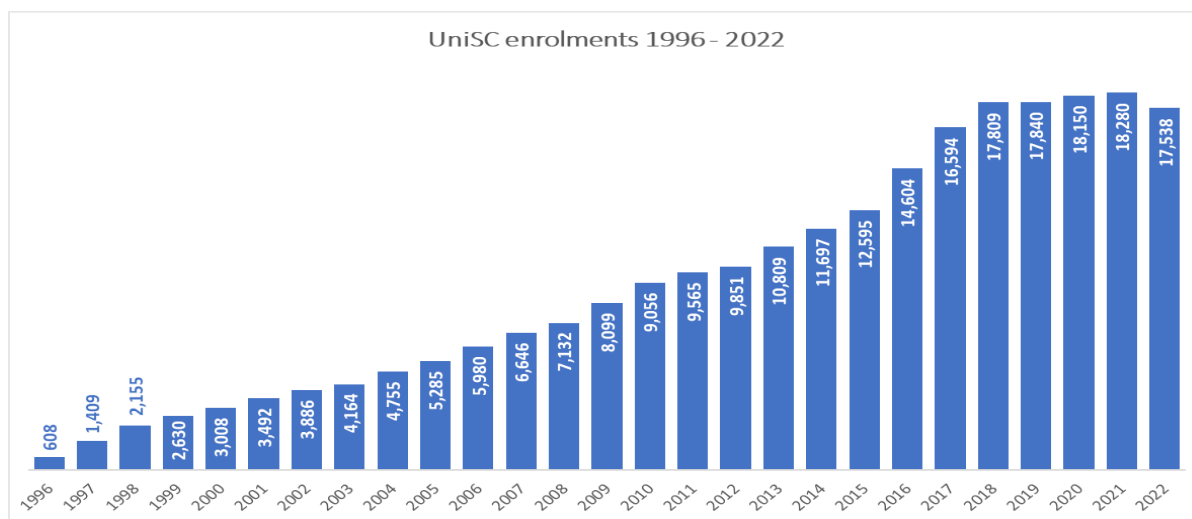
1. Sustainable regional universities
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1. Sustainable regional universities

1.1 UniSC contribution to our regions

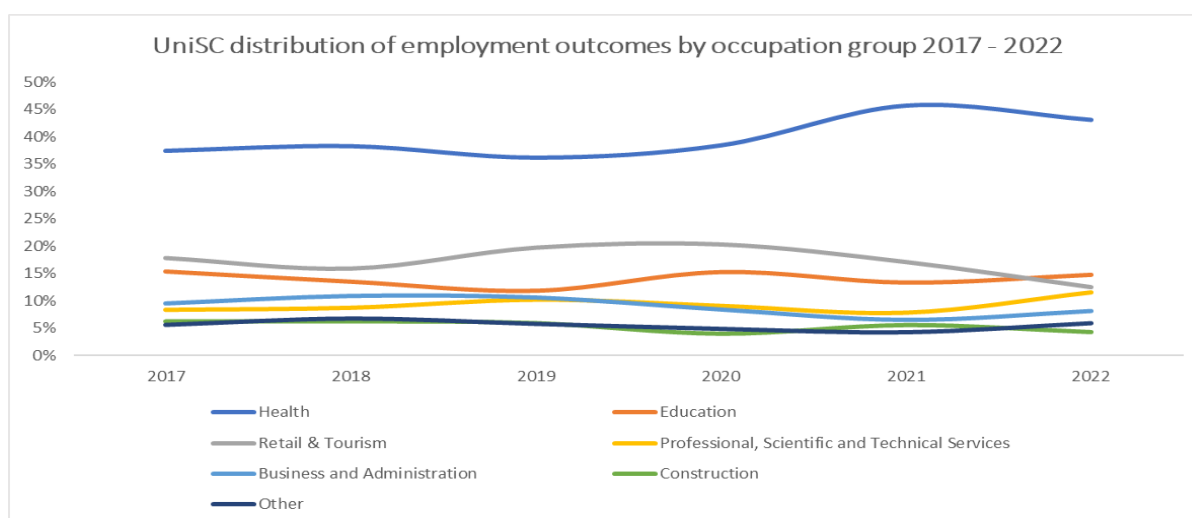
UniSC's operations, workforce and students make a significant economic and social contribution to our regions. Our students and related visitors who come to our regions for study, business and leisure purchase a wide range of goods and services, including in the important visitor economy.

Since we opened our doors in 1996, UniSC has steadily grown our student body, successfully graduated over 33,000 students and broadened our courses with direct relevance to the workforce needs of our diverse regions. A modest decline in 2022 enrolments, consistent with the broader sector, is attributed to low unemployment rates and cost of living pressures. We expect a return to enrolment growth over the coming years due to population growth and a slowing economy.



(Source: UniSC data)

In 2022 almost 90 percent of UniSC undergraduates were employed within four months of finishing their degree, higher than the national average¹. This was the largest uplift of 16.8 per cent in Australia for overall employment from 2021 to 2022, which includes full and part-time work. From a skills shortage perspective, UniSC is making a particularly strong contribution in the health sector. When you consider that seven out of 10 graduates from regional universities will live and work in the regions, compared with only 24 per cent of graduates from metropolitan universities², this is a significant contribution to addressing long standing regional labour and skill shortage challenges.

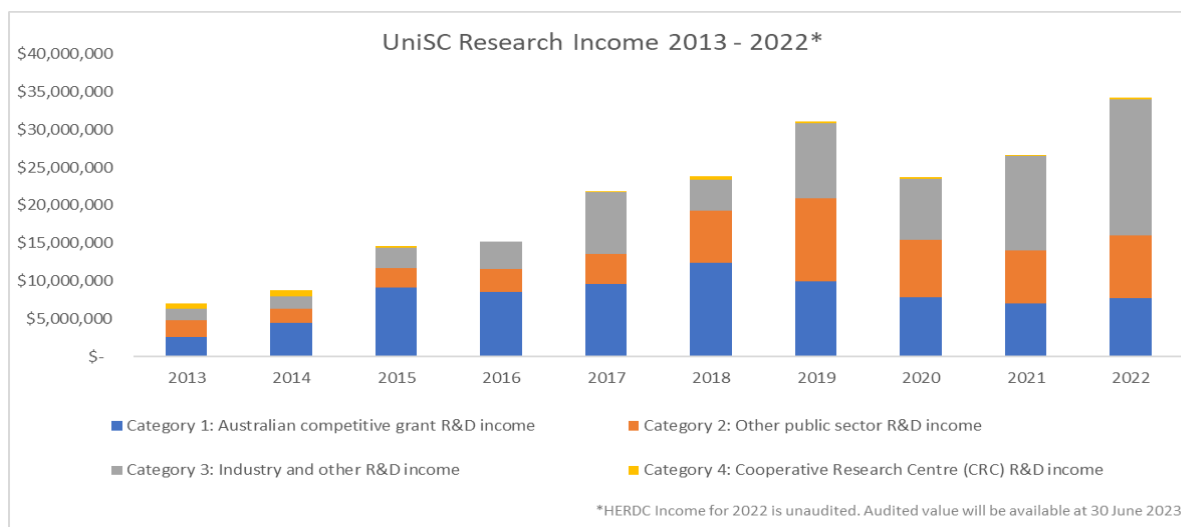


(Source: UniSC data)

¹ [https://www.qilt.edu.au/surveys/graduate-outcomes-survey-\(gos\)#anchor-1](https://www.qilt.edu.au/surveys/graduate-outcomes-survey-(gos)#anchor-1)

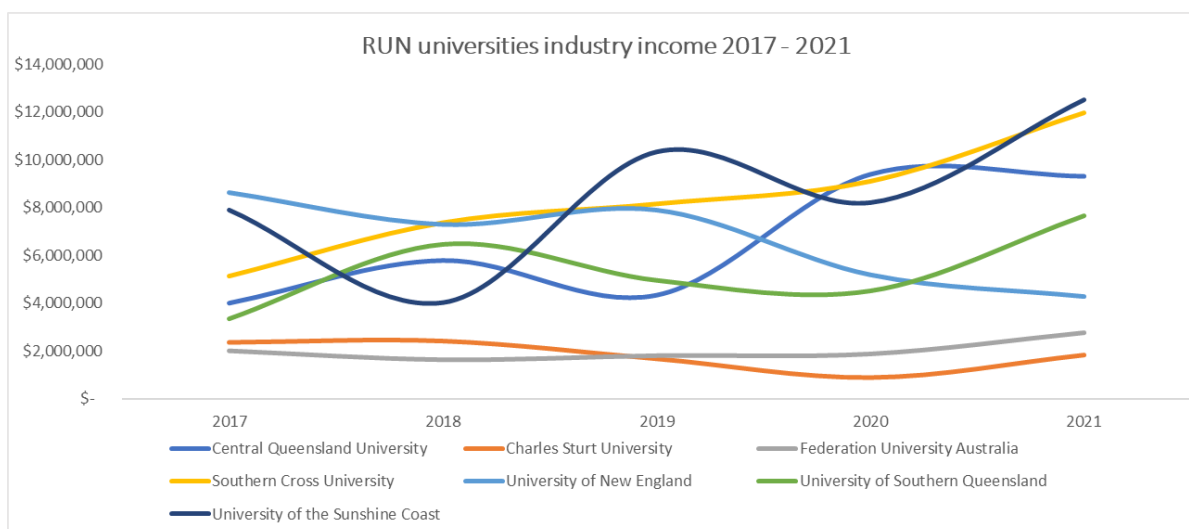
² <https://nousgroup.com/wp-content/uploads/2020/09/RUN-Summary-Report-final-compressed.pdf>

As a comprehensive university, UniSC is also a key contributor to understanding and addressing regional, domestic and international issues and opportunities through basic and applied research undertaken in partnership with local industry, interstate and international organisations, academic partners and all levels of government. UniSC has significantly diversified its research capabilities and outputs, growing its total research funding by over 63 per cent since 2017³.



Source: Higher Education Research Data Collection (HERDC)

Of particular relevance, given our exposure to predominately small-medium enterprises (SME) in our regions, we have seen an over 60 per cent funding increase from industry, including a three-fold uplift from for-profit organisations⁴, demonstrating the value our local businesses place on partnering with us to help them understand and solve problems. In 2021, UniSC enjoyed the largest share of industry research income amongst Regional University Network (RUN) members⁵.



Source: Department of Education Research Income Time Series

In 2021, UniSC's operating expenditure was \$290 million, most of which (\$176 million) was spent on employee salaries / on-costs and goods and services⁶. We are a valued employer in our regions, with over 1,000 FTE employees in 2022, not including casual staff. By the time Stage 2 of our Moreton Bay campus is complete in early 2024, we will have invested \$220 million (CAPEX) to establish and grow this much needed campus in one of Australia's lowest higher education participation rate regions.

³ <https://www.education.gov.au/research-block-grants/resources/research-income-time-series>

⁴ Ibid

⁵ Ibid

⁶ <https://www.education.gov.au/higher-education-publications/resources/2021-higher-education-providers-finance-tables>

1.2 Importance of comprehensive regional universities

UniSC's host communities place a great deal of value in our comprehensive university offerings across teaching and research.

While we acknowledge universities have different areas of focus across teaching and research, for regional universities like UniSC our course offerings and research priorities reflect the needs of our regions, consistent with our base purpose as community institutions. Our students, communities and industry stakeholders greatly value and need our comprehensive suite of offerings and there are countless examples of UniSC students who would simply not have been able to undertake study if our campuses were not accessible from a course offering or physical location perspective. Indeed, a differentiated model based on teaching (or even subsets of teaching) or research only institutions would undermine the Government's desire to increase higher education participation and completion rates among underrepresented groups by reducing access and choice among regional communities.

1.3 Governance and regulation

UniSC acknowledge the importance of governance and regulation in driving high standards and providing safeguards and opportunities for recourse when required. However, UniSC like most other universities, is governed by state legislation and thus we are subject to an array of Queensland Government laws and regulations. Yet we are largely federally funded and subject to oversight and expectations from both Commonwealth regulators and an expanding list of departments and agencies.

Such a crowded and complicated regulatory and reporting landscape has resulted in a significant administrative burden, particularly for smaller institutions like UniSC with fewer resources. The real impact of this burden however is on our ability to keep delivering great outcomes for our students and local communities i.e. for every dollar spent on employing staff and consultants to meet regulatory and reporting requirements, is a dollar we can't spend to deliver better teaching, student support, impactful research and quality infrastructure.

We therefore support the call by the University Chancellors Council for the application of 'cooperative federalism' to ensure that funding and regulatory policy in relation to both teaching and research is comprehensive and coherent. Further, that an ambition of the Accord should be a mechanism for involving the states and territories, where appropriate, to achieve a comprehensive whole of governments' approach which seeks to avoid inefficiencies within the sector arising from regulatory differences across Australian jurisdictions.

Recommendations

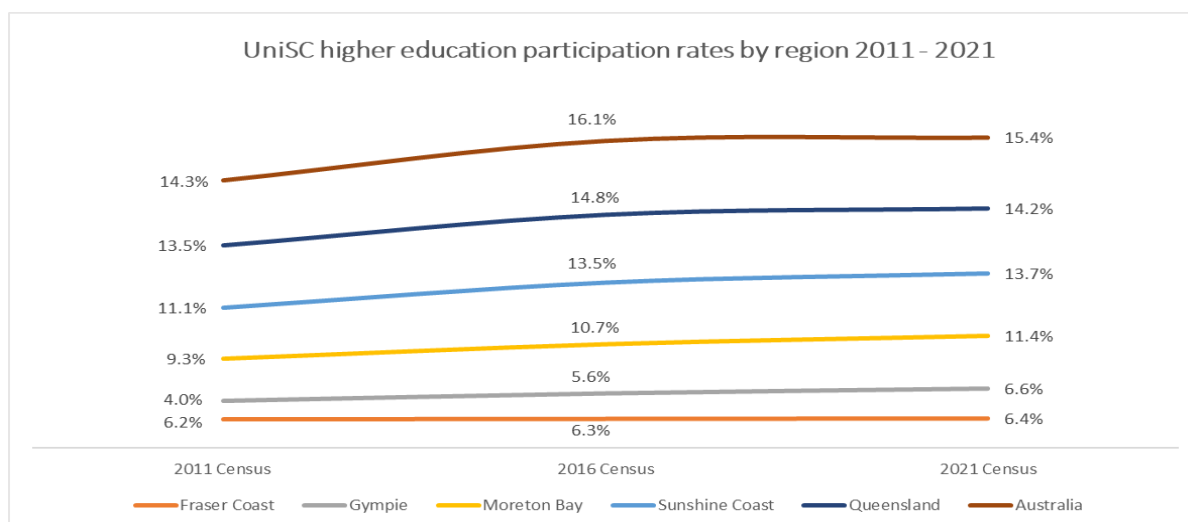
1. *Regional universities remain comprehensive across teaching and research.*
2. *The Commonwealth and state and territory governments, in consultation with the sector and other relevant stakeholders, consider higher education governance and regulation harmonisation opportunities, commencing with a risk-proportionate regulatory impact assessment.*

2. Student participation and attainment

UniSC welcomes the Government's focus on improving access and opportunity to higher education and notes this will require both demand and supply side policy measures. We argue that the greatest gains and return on investment will come from focusing effort on regional Australia and equity cohorts who have both lower participation and attainment rates.

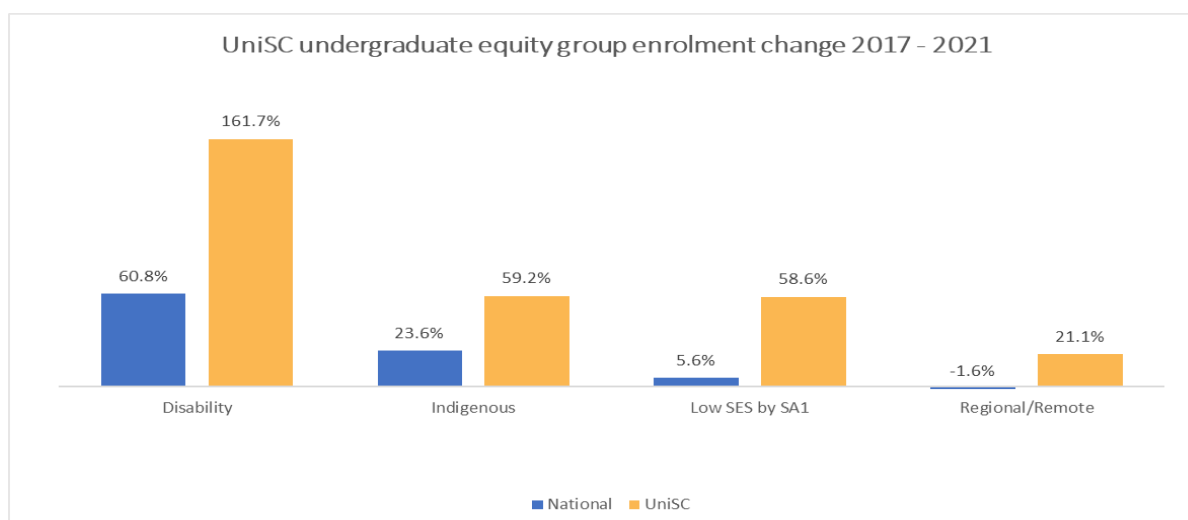
A renewed focus on accessibility and success is timely given the 2021 Census reported a decline in higher education participation rates across Australia from 16.1 per cent in 2016 to 15.4 per cent. In UniSC's home state of Queensland we witnessed a slowdown from 14.8 percent in 2016 to 14.2 per cent in 2021. This downward trend is concerning, not least because it occurred prior to the stronger economic conditions during 2021 and 2022 when many potential students chose employment in a tight labour market and due to increasing cost of living pressures.

In contrast to the national and Queensland declines since 2016, participation rates in all of UniSC's local government regions have increased over the last three Census' (2011, 2016 and 2021), noting most remain well below the national average.



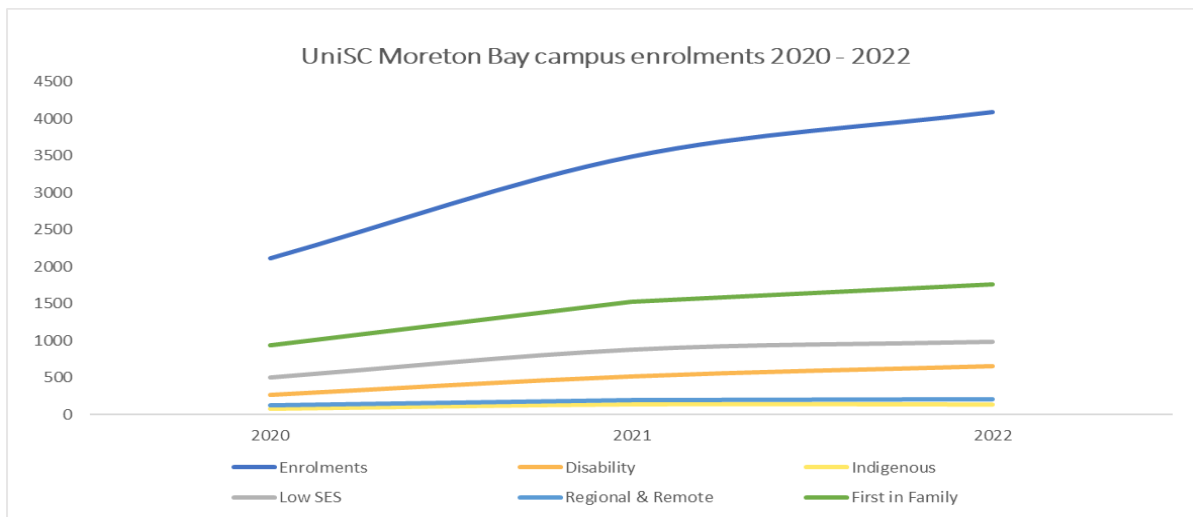
(Source: ABS Census data)

UniSC has also seen consistent undergraduate enrolment growth across all equity groups over the last five years, in all cases higher than the national average. For example, in 2021 UniSC accounted for 2.1 per cent of all domestic undergraduate students who reported having a disability, with enrolment growth of 161.7 per cent from 2017 to 2021 (compared to national enrolment growth of 60.8 per cent over the same period). UniSC also represented 3.1 per cent of total Indigenous undergraduate enrolments in 2021, compared with our 1.8 per cent proportion of national enrolments overall.



(Source: Department of Education: Higher Education Statistics)

Pleasingly, participation rates in the Moreton Bay region (north of Brisbane), which has one of the lowest higher education participation rates in the country, grew by 2.1 per cent from 2011 to 2021 i.e. from 9.3 per cent to 11.4 per cent. In addition to UniSC's existing Caboolture campus which has a significant commitment to providing the nursing workforce from, and for, the local region, we attribute some of that recent growth to the opening of our Moreton Bay campus in 2020, the first comprehensive university campus built in the region. This campus currently has over 4,000 students, with the majority residing in the Moreton Bay region. Since the campus opened in 2020, we have seen steady growth across all equity groups.



(Source: UniSC data)

The above UniSC participation rate data illustrate the continued unmet demand for higher education in regional Australia, including inner regional / peri-urban regions such as Moreton Bay, and the important role that regional universities like UniSC can continue to play, with the right policy and funding settings.

2.1 Participation and attainment rate targets

Until recently, the number of Australians with a bachelor degree has continued to increase, but in outer regional and remote areas the rate remains half that (19 per cent) of the major cities (36 per cent)⁷. As noted in the RUN submission, regional Australia would need to almost double its attainment rates just to meet the OECD average.

It is well understood that public targets provide the mandate and motivation for governments to establish the necessary policy settings and funding commitments to attempt to meet those targets. For that reason, UniSC supports the development of new medium and long-term higher education participation and attainment targets, however they need to be more nuanced and designed to address the underlying problems we are trying to solve, which will require setting targets for regional Australia as well as equity groups.

UniSC further notes the Equity Practitioners in Higher Education Australia (EPHEA) view that the sector requires more inclusive definitions of disadvantage to recognise less visible equity cohorts such as refugees, students in care, students identifying as LGBTIQ+ and students with no parental experience of higher education.

2.2 Demand driven funding

Being cognisant of the short-term Budget constraints, UniSC believes due consideration be given to revisiting the demand driven funding model for regional universities for students enrolling in bridging programs, sub-bachelor and bachelor degrees given the below-average higher education participation and attainment rates amongst regional communities. To drive greater access for equity groups, we also suggest uncapping Commonwealth Supported Places (CSPs) nationally for priority equity groups, including Indigenous, low SES and students with a declared disability, who enrol in bridging programs, sub-bachelor and bachelor degrees.

We know that from a participation rate perspective the previous demand driven model in place from 2010 to 2017 worked i.e. it drove higher and faster undergraduate enrolments and increased participation by young people and key equity groups⁸. For example, during that period Indigenous student enrolments more than doubled (105 per cent), enrolments of students with a disability

⁷ <https://www.abs.gov.au/statistics/people/education/education-and-work-australia/latest-release#education-and-employment>

⁸ <https://www.pc.gov.au/research/completed/university-report-card/university-report-card.pdf>

increased by 123 per cent, enrolments of students from regional and remote areas increased by 50 per cent and enrolments from students from low SES backgrounds rose 66 per cent⁹.

UniSC acknowledges that the current JRG Package allows for annual CSP growth based on a university's share of students in 'regional', 'high growth metropolitan' and 'low growth metropolitan' areas. While this approach theoretically provides sufficient CSP growth headroom when mapped against expected population growth, it assumes population and higher education participation rate growth will be linear over future years and as Covid taught us, this is not always the case. While domestic student demand is currently soft due to strong economic conditions and elevated cost of living pressures, as the Productivity Commission points out, there are demographic changes on the horizon which are insufficiently factored into planned funding growth, principally the expected 15 per cent increase in the number of 19-year-olds in the decade to 2030¹⁰. Therefore, a more prudent policy is a targeted demand driven system to remove potential access and equity barriers due to expected higher demand from priority cohorts and those from regional locations. UniSC acknowledges that a return to even a targeted demand driven system may require other reforms to offset the Budget impact.

A further deficiency of the JRG Package's annual CSP growth model is that the higher annual rate for 'regional' excludes some of UniSC's regional campuses that directly support higher education access and equity in regions with participation rates lower than the national average and in some cases higher levels of disadvantage. This approach to defining 'regionality' may limit the ability of these campuses to meet future student demand over the next decade if, as expected, we see higher participation rates due to population growth, a tighter jobs market and Government policy changes.

Importantly, given the additional challenges equity groups face when undertaking higher education, including elevated attrition rates, a targeted demand driven model would need to be accompanied by more robust and contemporary equity student support policies and funding models. This was a key lesson from the previous demand driven period, as noted by the Productivity Commission¹¹. This would allow institutions to strengthen their existing student support services, particularly for equity group students, which will in turn maximise success rates in the shortest feasible time period.

2.3 JRG 50 per cent fail rate

As a policy that fundamentally conflicts with the Government's desire to increase attainment rates for equity groups and regional Australians, UniSC advocates for the removal of the 50 per cent fail rate measure within the existing JRG Package.

Equity group students are statistically more likely to fail more subjects early on, before they gain the understanding and confidence to achieve successful academic outcomes. In addition, universities already have robust academic monitoring procedures in place to manage student success. This impact is particularly punitive for students undertaking enabling or bridging courses, which is punishing the very students the Government wants to see more of. In 2022, 15 per cent of UniSC TPP students were impacted. Conversely, our data show that if retained and suitably supported to progress, UniSC students admitted to an undergraduate degree on the basis of our TPP see similar success rates as non-TPP students. Given this, and consistent with UniSC's mission and social charter, rather than see these students leave the higher education sector and the lifelong benefits it provides, we have been paying the tuition fees for impacted TPP students so they can progress their studies. Unfortunately, this financial support is not sustainable for UniSC in the long term.

⁹ <https://www.universitiesaustralia.edu.au/policy-submissions/diversity-equity/the-demand-driven-system/>

¹⁰ <https://www.pc.gov.au/inquiries/completed/productivity/report/productivity-volume8-education-skills.pdf>

¹¹ [ibid](#)

2.4 Alternative entry pathways

UniSC argues that the further evolution of, and support for, alternative entry pathways into higher education is a key lever to further raise participation rates, particularly among the growing mature age student cohort and equity groups.

At UniSC, we leverage multiple pathways as the basis of admission and argue that universities should retain the autonomy to decide how to responsibly admit their students in response to evolving student profiles and prior learning. For example, since 2015 we have successfully provided Early Offer Guarantees (EOGs) which allows year 12 students to apply for programs at UniSC early, reducing pressure on final year exams and waiting for an offer, as well as allowing them to engage early in university transition and support initiatives¹². UniSC EOG offers are made to students on the recommendation of their principal or school delegate (following consistent and transparent assessment processes), recognising that a student's ATAR is not necessarily the only indicator of success at university. Schools can also recommend students with circumstances that may negatively impact their ATAR. Year 12 students without the academic skill level and independent learning attributes required for bachelor level study can be recommended for our Tertiary Preparation Program (TPP) or sub-bachelor diplomas. Importantly, UniSC's experience with our EOG pathway has been that these students consistently have a higher average first year success rate, are less likely to defer and have lower attrition rates than students accepted via non-EOG pathways.

Another UniSC example of how we are seeking to improve participation rates among First Nation peoples is our Indigenous Direct Entry Scheme (IDEAS)¹³. This is a direct entry admission into a suitable program or our TPP for people identifying as an Aboriginal or Torres Strait Islander who may not have completed Year 12 or have no previous study experience. As part of the assessment process, we consider past experience in relation to study and employment, community involvement, achievements and importantly the potential to successfully complete university studies.

We encourage the Government to be alive to the changing enrolment type dynamic with mature age students becoming the dominant student type, particularly in the regions, and consider what this means for policies and funding programs aimed at lifting participation rates, including in regional universities. For example, in 2022 over 60% of UniSC students were mature age (i.e. over 20 years of age) and for those without an ATAR or who are otherwise unable to be directly accepted into a bachelor degree, bridging courses like our TPP, and increasingly sub-bachelor courses, are key conduits into higher education for mature age students. In 2022, UniSC's TPP was our second most popular course, comprising six per cent of our total student body, and enrolments in our sub-bachelor courses increased by almost 30 per cent from 2021.

However, UniSC believes the real opportunity to leverage alternative entry pathways to improve the accessibility of higher education and drive higher participation rates lies in improving our recognition of prior learning system (RPL) system. An improved, national RPL system would support easier pathways between higher education and the VET system, recognition and portability of micro-credentials and so on. We therefore support calls for a national RPL framework and platform to enable formal, streamlined recognition of skills that can be used for RPL purposes.

2.5 School engagement

Important discussions and decisions about post-school education, training and employment options are made during the schooling years. Acknowledging the wide range of existing interactions with schools by governments, education and training providers to help inform student choices, UniSC believes there is more that can be done to reach this important cohort before they form firm views and make decisions on post school options.

¹² <https://www.usc.edu.au/study/how-to-apply/pathways-to-study/pathways-from-year-12/early-offer-guarantee/information-for-students>

¹³ <https://www.usc.edu.au/current-students/student-support/indigenous-services/aboriginal-and-or-torres-strait-islander-student-support/indigenous-direct-entry-and-access-scheme-ideas>

As part of an Australian Universities Accord we would like to see innovative strategies to both scale existing school outreach programs that are working well or replace underperforming activity. By way of example, UniSC's *Headstart Program*¹⁴, which allows senior high school students to study first-year university subjects and gain credit towards a UniSC degree, continues to be popular with schools in our regions and around the country, with a 17 percent increase in Semester 1 enrolments in 2022 compared to 2021.

School interventions should be more holistic and evidence based, with greater support and involvement from industry to showcase future jobs and career prospects, including in their local regions. Effort should be prioritised in areas of lower education and training participation rates and amongst equity groups.

We also think more effort needs to be directed to primary school outreach. For example, recent UniSC research indicates that girls as young as eight are prematurely excluding STEM-related study and work options, due to negative images they have of the field and their own abilities in STEM subjects¹⁵.

2.6 VET and higher education

UniSC believes vocational education and training (VET) and higher education are both critical to Australia's economic and social wellbeing and that they play distinct, yet complementary roles.

This is not an exhaustive list and other stakeholders will provide additional ideas or variations on these, however with respect to the ambition and need for greater VET and higher education integration, UniSC believes the Accord should consider the following areas as a priority:

- Regulation, accreditation and funding – the current VET and higher education regulatory environment, curriculum development and accreditation processes and funding models are incredibly complex. An ambition of the Accord should be to achieve greater harmonisation of the two sectors (including student loans) given the significant efficiencies to be gained, not to mention improved student experience and productivity uplift. One of the considerations should be a more strategic approach to subsidising student places in each sector to minimise artificial and unnecessary competition. For example, providing fee-free TAFE places for certificate and diploma courses in areas of skill shortage without consideration given to offering the same approach to higher education providers. A deeper examination of the experiences of dual sector universities would offer insights into the pressing regulatory and funding issues, and examples of innovative practice¹⁶.
- Clearer pathways – the complexity of both sectors, including in how training packages and qualifications are developed and delivered makes it challenging to provide clear and seamless pathways between the two sectors. Reforming the Australian Qualifications Framework (AQF) would improve pathway outcomes which is a key pre-requisite to uplifting pre and post school training and education participation rates.
- Dual awards – UniSC believes dual awards provide great potential for delivering more efficient learning outcomes for students and producing job-ready graduates for industry, particularly in areas of skill shortage and emerging occupations like renewable energy. For example, UniSC has developed a dual aircraft maintenance award with TAFE Queensland.
- Co-location – There are benefits in governments, along with VET and higher education providers, investing in more integrated physical learning facilities. As a university with two campuses co-located with TAFE Queensland, we enjoy some of the more obvious benefits such as cost-sharing of infrastructure and services, along with student convenience.

¹⁴ <https://www.usc.edu.au/study/courses-and-programs/headstart-program>

¹⁵ https://www.usc.edu.au/about/unisc-news/news-archive/2023/february/primary-school-program-addresses-stem-gender-gap?utm_source=social&utm_medium=linkedin&utm_campaign=organic-post&utm_content=primary-school-program-addresses-stem-gender-gap

¹⁶ <https://www.vu.edu.au/sites/default/files/reforming-post-secondary-education-australia.pdf>

Recommendations

3. *The Government establish more nuanced higher education participation and attainment rate targets designed to drive policy and investment that address the right challenges.*
4. *The Government re-introduce a demand driven model for regional universities for students enrolling in bridging programs, sub-bachelor and bachelor degrees as well as nationally for priority equity groups, underpinned by more robust and contemporary equity student support policies and funding models.*
5. *The Government remove the 50% fail rate measure given its adverse impact on equity groups and due to universities already having robust academic monitoring procedures in place.*
6. *The Government continue to support alternative admission pathways into higher education as a key lever to raise participation rates, particularly for mature age students and equity groups.*
7. *The Government consider how to support more holistic, innovative and research informed school engagement strategies and interventions, with greater support and involvement from industry, in areas of lower education and training participation rates and amongst equity groups.*
8. *The Government consider opportunities to further integrate the VET and higher education sectors, including harmonisation of regulation, accreditation and funding, clearer articulation pathways and more opportunities for physical co-location of education and training facilities.*

3. Student success

UniSC continues to be recognised for its learning and teaching quality and we are proud to be one of Australia's highest-rated universities for student satisfaction. This is due to the substantial investment we make in supporting our students, but particularly equity group students who make up a large proportion of our student body. A selection of these student support services include:

- Student support from initial application through to admission
- Student wellbeing including counselling, student equity, accessibility, health and social activities
- Academic support and student finance, including scholarships
- Indigenous student support
- Progression and exams
- Career and employment advice.

If Australia is to realise the ambition of increasing regional and equity group attainment rates, the Government must consider how to more completely and sustainably fund the diverse and dynamic range of services that universities need to deliver to provide these students with a positive and ultimately successful higher education experience. Given the Government's ambition to increase access and opportunity for all, service delivery costs will continue to increase.

3.1 Student income support

UniSC supports a broad review of student income support measures, including Youth Allowance, Austudy and ABSTUDY to ensure they are sufficient and targeted, particularly for equity group students. This is a key short term and ongoing lever at the Government's disposal to improve participation and retention rates given higher cost of living pressures. We encourage the Government to consider raising the earnings threshold before allowances are impacted as well as reconsider the level of student load required before allowances are reduced or removed. At UniSC we see some students taking on more courses than they can realistically handle simply to retain their current allowances, which inevitably impacts grades and attrition.

Accommodation costs remain a significant challenge for students relocating to study, even more so now. In UniSC's regions the availability and cost of accommodation has become a primary inhibitor to students accepting an offer, including international students. It is also a key driver of attrition when rents become unaffordable. From a student attainment target perspective, we would therefore like to see the existing rent assistance eligibility and payment thresholds reviewed.

As noted earlier, seven out of ten students who study at a regional university go on to stay in the regions. In recognition of the greater scarcity and higher cost of accommodation in regional towns, as well as to incentivise regional students to consider studying at regional universities, we believe the Tertiary Access Payment (TAP) should be increased for students enrolling at a regional university.

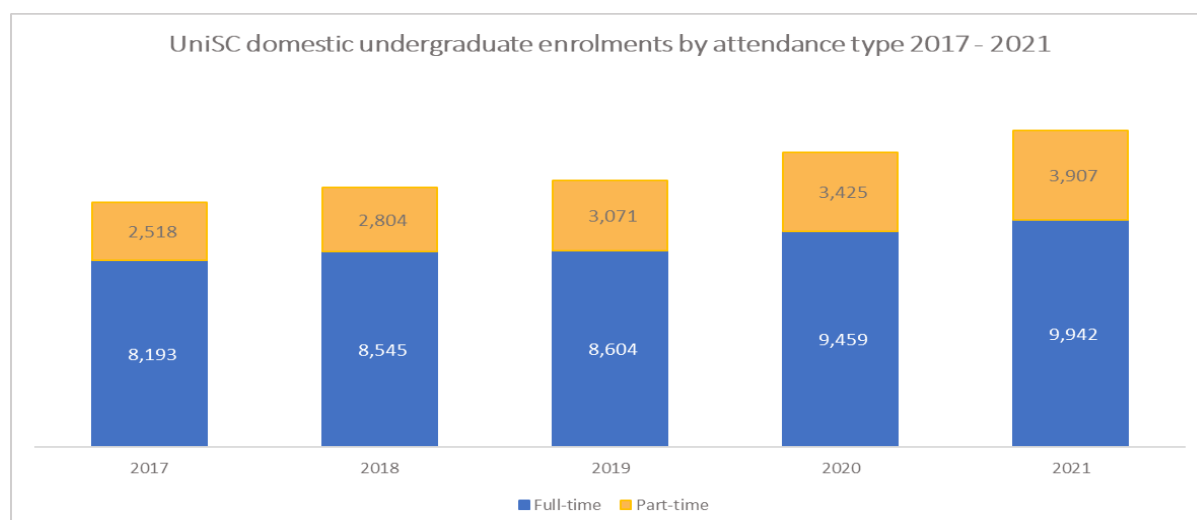
Like other universities, scholarships play an important part in overcoming financial barriers for many coursework and research students. UniSC students demonstrating the need for financial support, and who are subsequently awarded a scholarship or equity bursary, have higher success rates (88.7 per cent compared to 80.8 per cent in 2021) and lower levels of attrition (6.9 percentage points lower in 2021) than those without a scholarship. Our challenge is that we have seen an almost 60 per cent increase in undergraduate students from low SES regions between 2017 to 2021 and yet in 2022 we were only able to provide 12 per cent of these students with scholarships.

Many students also struggle with the cost of attending mandatory professional placements for a range of reasons such as reduced income due to taking time off from work, and travel and accommodation if the placement is away from their home. At UniSC, a generous donor has supported our student teachers undertaking regional and remote placements¹⁷. We believe the Australian and state and territory governments could do more with respect to scholarships, particularly financial hardship scholarships, to drive greater participation and attainment rates for low SES and other equity groups. While encouraging the Government to take a holistic and proactive approach to the broader issues impacting mandatory student placements, we would like to see a focus on supporting the costs of students undertaking regional and remote placements in areas of skill shortage as proposed in the Regional Universities Network submission.

3.2 Equity student support funding

UniSC believes there is a clear argument to fundamentally review current equity student support policies and funding programs. This includes moving from an EFTSL to student headcount funding model for regional universities to more accurately and fully fund the cost of student support services being delivered.

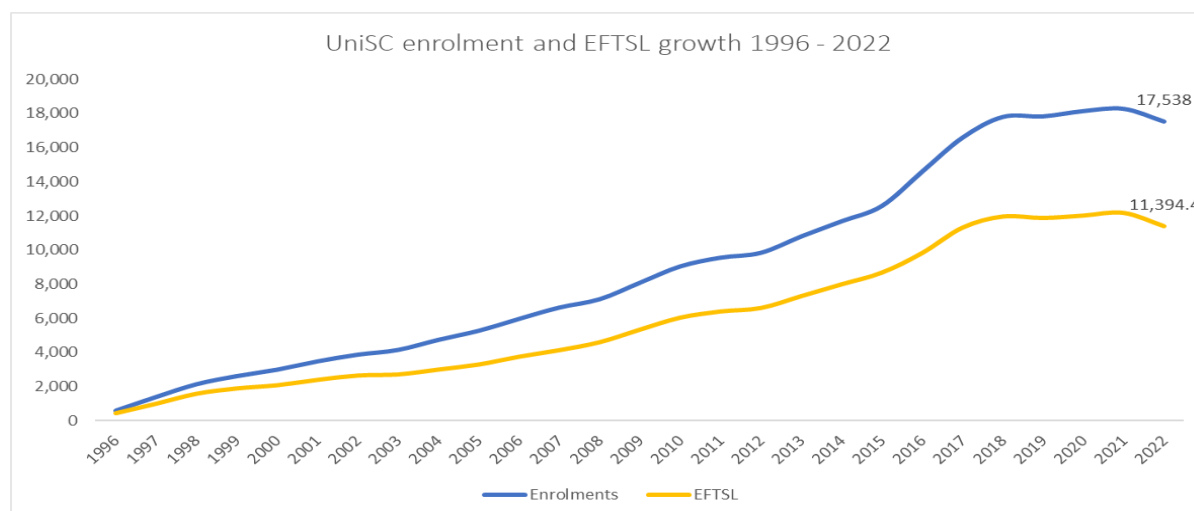
Regional universities generally have a higher proportion of part-time students, notably mature age, low SES and those with a declared disability. At UniSC over the last five years the proportion of part-time undergraduate enrolments has increased by 4.7 per cent, from 23.5 per cent in 2017 to 28.2 per cent in 2021.



(Source: UniSC Data)

¹⁷ <https://usc.shorthandstories.com/teachers-who-go-rural-and-the-partners-who-pave-the-way/index.html>

This means UniSC’s enrolment headcount versus its EFTSL average has continued to widen. In 2021 the average UniSC EFTSL per student was 0.71 per year, compared to a national (Table A) average of 0.76, a RUN university average of 0.64 and a metropolitan university average 0.77¹⁸. Given this, there is potential for the EFTSL funding model to adversely affect UniSC, and even more materially other regional universities with a lower average EFTSL per student.



(Source: UniSC Data)

UniSC data show that our part-time undergraduate students do of course access student support services at a lower rate than full-time students, but importantly not close to half as much, as the EFTSL funding model assumes. In 2022, 35 per cent of our part-time students accessed a student support service compared to 43 per cent of full-time students. Importantly however, part-time students access a higher average number of supports per EFTSL than full-time students (in 2022 part-time students averaged 11 services compared to 4.8 services for full-time students). This results in a higher spend per EFTSL for part-time students than full-time students.

Further, at UniSC we know that a higher proportion of equity students consistently access student support services than non-equity students (44 per cent compared to 37 per cent in 2022). Equity students also access a higher average number of supports than non-equity students (average of 4.6 contacts compared to 3.9 contacts for non-equity students in 2022). This means we incur a higher cost to support all of our equity students compared to the funding we receive under HEPPP and related programs due to the current EFTSL funding model. That is without counting the support services we provide to students with a disability who are not covered under the HEPPP.

3.3 Students with a disability

UniSC contends that students with a disability, including the increasing proportion suffering from mental health conditions, are the most neglected from a Government equity funding perspective. This is occurring in an environment where students reporting a disability are the fastest growing equity group in universities with 58.6 per cent growth from 2013 – 2019¹⁹.

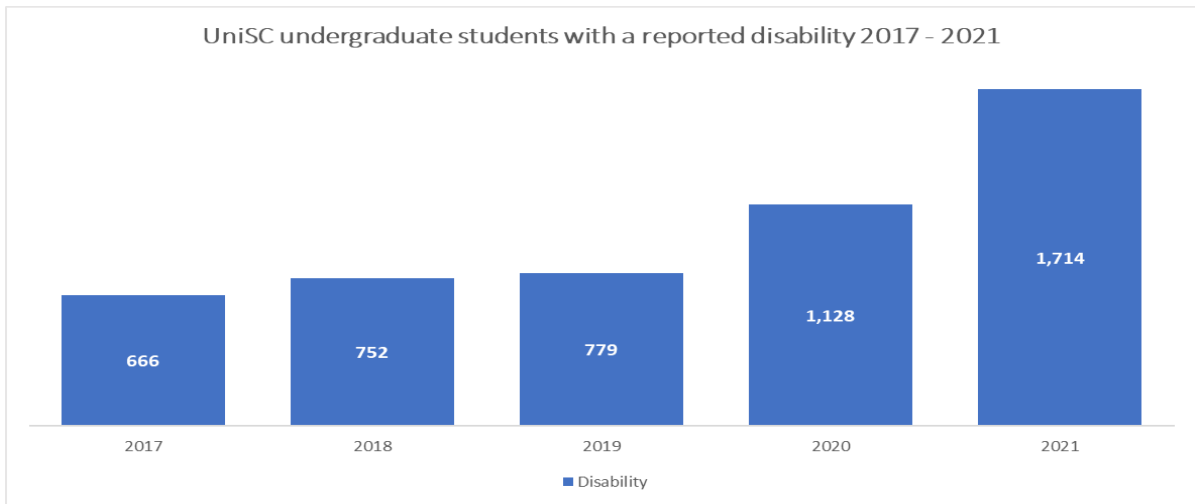
At UniSC the number of undergraduate students with a reported disability increased by 157 per cent between 2017 and 2021²⁰. In 2021, at 12.4 per cent of our total domestic undergraduate student cohort (up from 8.8 per cent in 2020), UniSC was higher than the national average of 9.6 per cent²¹. Given the Disability Support Program (DSP) has a capped budget, with universities receiving a proportional share, our DSP funding per student has decreased from \$94 in 2019 to \$76 in 2021, which means we have to do more with less.

¹⁸ <https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2021-student-data>

¹⁹ <https://www.ncsehe.edu.au/data/national-data/>

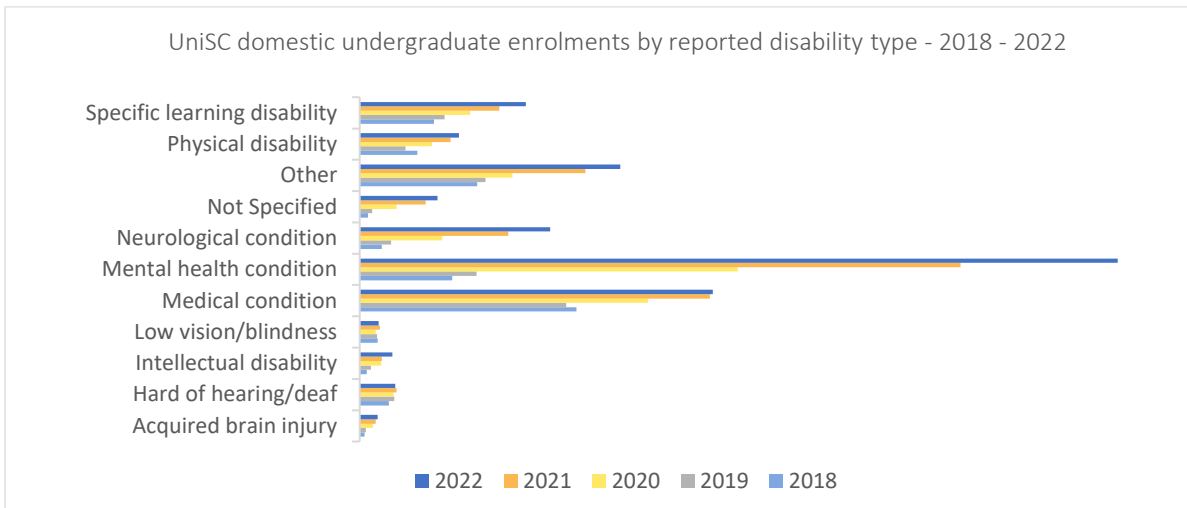
²⁰ <https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2021-student-data>

²¹ [Ibid](#)



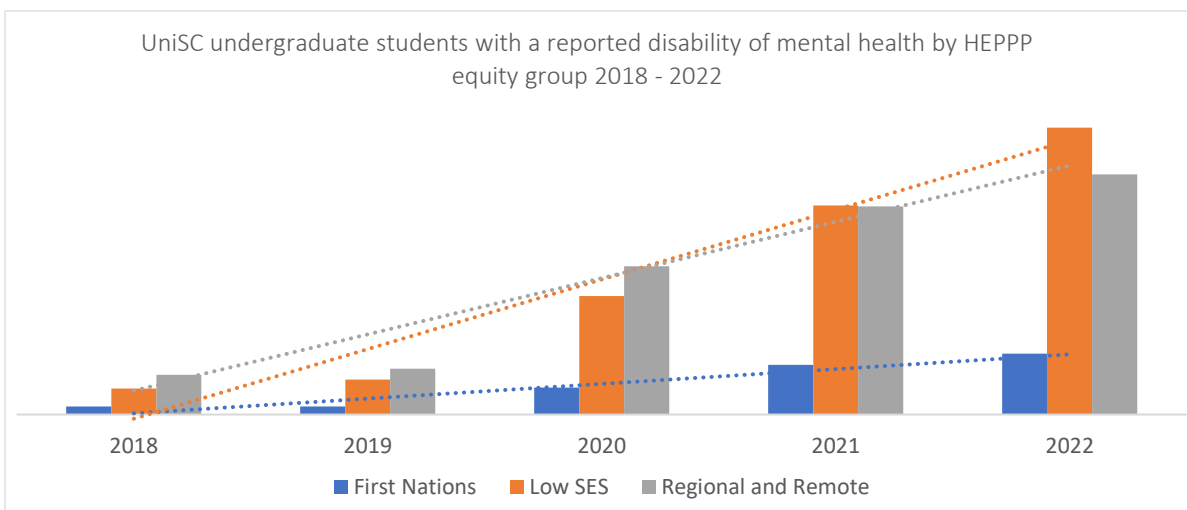
(Source: Department of Education: Higher Education Statistics)

Within this growing cohort of students with a reported disability, UniSC has also seen a marked increase in those students disclosing mental health conditions (549 per cent increase from 2019 to 2022) and neurological conditions (509 per cent increase from 2019 to 2022).



(Source: UniSC data)

We are also seeing an increasing trend of mental health conditions being reported by other equity group students.



(Source: UniSC data)

At UniSC these mental health conditions are having a growing influence on student success and attrition rates. In 2022, the progression rate for UniSC's undergraduate students with a reported mental health condition was 77 per cent compared to 82 per cent for equity students without a disclosed mental health condition.

Given that in 2021, 1 in 6 Australians were estimated to have a disability (1 in 4 had a mental or behavioural disorder as their main condition), an estimated 10 per cent of school students (aged 5–18) had a disability (almost 5.4 per cent with a severe or profound disability)²² and university students with a reported disability increased from 4.7 per cent in 2011 to 9.6 per cent in 2021²³, we can expect to see a continuing upward trend, including those with mental health conditions.

UniSC acknowledges that students are able to access existing Government support for mental health interventions via Centrelink. However, the rising numbers of students with mental health conditions requires universities to provide additional services such as more time with disability support staff or counsellors which are ineligible for reimbursement²⁴. We would therefore like to see governments do more to support students with mental health conditions, including by helping universities to more sustainably fund resources that would mitigate the impact on success and attainment rates for these students.

UniSC believes the Government should undertake an independent audit of higher education providers to quantify the investment being made in supporting students with a disability to ensure the scope and funding arrangements of the Disability Support Program (DSP) remain fit for purpose.

3.4 Graduate outcomes

UniSC would like to see more Government investment into existing and new career programs that support employment outcomes of graduates from equity groups, which remain below the national average.

According to the 2022 Graduate Outcomes Survey, students from targeted equity groups continue to obtain employment at a lower rate than the all-student indicator. In particular, only 59 per cent of students with a disability and 53 per cent of students who speak a language other than English were working full-time within four months after graduation²⁵.

These career programs should support international students willing and able to stay and seek post graduate employment given the additional barriers they face e.g. delayed employment, pay inequity compared to domestic graduates and often having to work in jobs unrelated to their qualification.

Recommendations

9. *The Government undertake a holistic review of student income support measures to ensure they are sufficient and targeted, particularly for equity group students. The review should examine student earnings thresholds and study load requirements before allowances are impacted, rent assistance eligibility and thresholds, Tertiary Access Payment (TAP) increases for students enrolling at a regional university, financial hardship scholarships and financial support for students undertaking mandatory regional and remote placements in areas of skill shortage.*
10. *The Government review equity student support policies and funding programs with a view to moving from an EFTSL to a student headcount funding model.*
11. *The Government undertake an independent audit of higher education providers to quantify the financial investment being made in supporting students with a disability to ensure the scope and funding arrangements of the Disability Support Program (DSP) remain fit for purpose.*
12. *The Government consider options to enhance existing and support new programs aimed at increasing graduate employment outcomes for equity group and international students.*

²² <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia-2022-in-brief/report-edition>

²³ <https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2021-student-data>

²⁴ https://www.ncsehe.edu.au/wp-content/uploads/2022/02/Pitman_Ellis_Curtin_Final.pdf

²⁵ [https://www.qilt.edu.au/surveys/graduate-outcomes-survey-\(gos\)#anchor-1](https://www.qilt.edu.au/surveys/graduate-outcomes-survey-(gos)#anchor-1)

4. Research and innovation

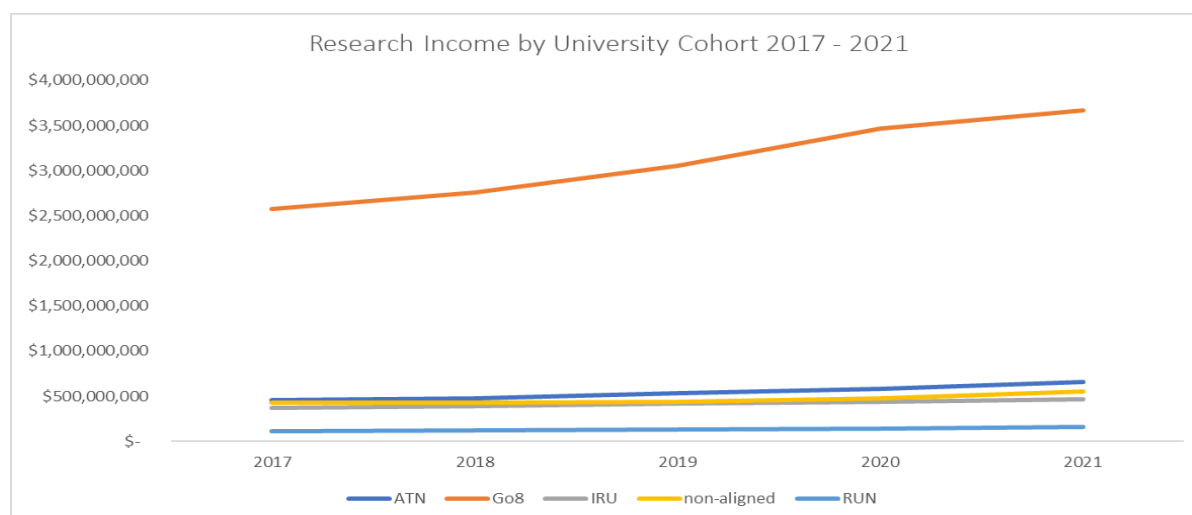
As noted earlier, research and innovation remain a critical element of UniSC's contribution to our regions and indeed our social licence to operate.

Pleasingly, UniSC has continued to deliver impactful and relevant research and innovation outcomes across our key focus areas of ecology and environment, agriculture, aquaculture and forestry, health, medicine and well-being, and human behaviour, work and society. From working on solutions to issues such as climate change, deforestation and urban heat planning, to improving mental health outcomes and encouraging healthy ageing, UniSC continues to champion research and innovation that will have significant impacts for our local communities and on a global scale. This sustained focus has resulted in UniSC's research income steadily increasing over the last ten years.

4.1 Advancing Australia's regional innovation

This Review and subsequent Accord present an important opportunity to consider how regional universities can further collaborate with governments and industry to maximise their research and innovation impact, while not constraining them to teaching focussed institutions. Australia needs a higher education sector differentiated by research excellence, that is geographically distinctive and relevant to the communities in which institutions operate and serve. Duplication of effort is not efficient and prohibits the level of resourcing required to gain the significant capacity needed for our sovereign capabilities.

However, a key challenge, and lost opportunity, is the continued disproportionate allocation of research funding (and hence research capability and infrastructure) to large metropolitan universities. Universities have a distinct competitive advantage in their own communities, with regional universities typically being strongly connected to areas of social, economic and environmental importance in their regions. There are many reasons for this funding differential, however if place-based advantages are not addressed this will continue to limit the opportunity for regionally based researchers to undertake further study close to home, including via higher degree research programs or to sustain their careers and deliver outcomes of their work with direct benefit to local communities and industry.



Source: Department of Education Research Income Time Series)

An opportunity to facilitate investment is better alignment of the Research and Development Tax Incentive for regional SMEs to support engagement in research and development opportunities for their businesses. Regionally based major initiatives requiring investments from all tiers of government that resolve specific challenges could also be examined to leverage industry contributions.

4.2 Research infrastructure to facilitate effective place-based innovation

Regional universities offer an important economic, social, cultural, education and research anchor in regional communities throughout Australia. One aspect of this pivotal role that has not been fully developed is investment in shared research and innovation infrastructure in regional Australia.

Regional universities have a unique and close relationship with the communities they serve. Part of this is sharing important research and innovation infrastructure and capabilities, such as laboratories and innovation centres, which underpin the acceleration of industry capability. UniSC encourages the Government to consider models like the German Research Foundation (DFG)²⁶ to improve investment of shared research infrastructure in regional hubs that provide collective and networked regional benefits. DFG funding works on a consortia basis to engage industry, universities and government to inject capacity into regional economies. This should include incentives for co-investment for shared infrastructure, with industry access, located on regional university campuses.

4.3 SME research and commercialisation

UniSC endorses the calls for greater industry collaboration and partnerships to drive innovation and commercialisation of research. We are active in this area and acknowledge our existing industry partners, noting that we often act as an important regional collaborator supporting SMEs to develop and grow. However, as a regional university we are challenged with having few medium to large businesses who generally have more capacity to engage on, and fund, research and development.

We would welcome the Accord process considering how governments can further assist regional universities and SMEs with overcoming this challenge, recognising that research impact can be measured in many ways, not just the ability to commercialise research outcomes. An example could be support for SMEs working alongside universities in an ideas incubation precinct that is strategically focused and aligned to regional strengths, its membership carefully curated and with a co-contribution of research and development funds to propel initiatives and grow high-value employment. However, research outputs from Australian universities need to remain internationally recognised and relevant for this paradigm shift to be successful.

International government initiatives that support research translation such as the UK's Catapult Program²⁷ are excellent guides as to how different nations have leveraged research translation for economic benefit. We believe the distinctive nature of the Australian university and industrial landscape should also be considered to enhance recent local initiatives, such as Trailblazer. An innovation eco-system in Australia where a framework of programs incentivising knowledge transfer and effective collaboration is needed. All programs need to be accessible, be that financially, geographically and conceptually, meaning a number of measures will need to be implemented to achieve this. For example, programs for research "mission driven" activity relevant to small business sectors, that are geographically (i.e. not all located in capital cities) and financially accessible, where funding is pooled in a form of industry alliance would be useful. There are examples of this working in industry R&D corporations within forestry²⁸, agriculture²⁹ and defence³⁰.

Recommendations

13. *The Government consider how to increase the distribution of research funding for place-based innovation, including incentives for regional industry to partner with regional universities.*
14. *The Government consider how to fund shared research and innovation infrastructure in regional Australia, including at regional universities.*
15. *The Government consider how it can further assist regional universities and SMEs to collaborate to drive innovation and commercialisation of research.*

²⁶ https://www.dfg.de/en/dfg_profile/what_is_the_dfg/index.html

²⁷ <https://catapult.org.uk/>

²⁸ <https://fwpa.com.au/>

²⁹ <https://agrifutures.com.au/>

³⁰ <https://queenslanddefencesciencealliance.com.au/>

5. International

UniSC acknowledges the positive response from the Government with respect to Australia's international education sector, including the comprehensive review of our migration system. However, there remain opportunities to improve Australia's end-to-end international education experience.

5.1 Australia's value proposition

UniSC believes that Government and industry need to develop a more competitive Australian higher education value proposition. This is more important than ever as Australia's standing as one of the world's best international study destinations is under pressure from competition by other nations' university sectors.

Given the increasingly uncertain geopolitical situation, Australia's international relations priorities, and the significant economic and social contribution of international education, we need a more holistic and sophisticated approach to leveraging Australia's international education and research strengths.

UniSC argues that Australia should consider implementing a British Council style body that integrates the current Austrade / Study Australia approach with broader messaging around international students and education, tourism, capacity building and foreign investment. The British Council model of 'cultural, scientific, technological and educational understanding and co-operation' has provided excellent soft diplomacy for foreign policy in the UK and has been able to provide a core value proposition for education services. In fostering long-term targeted global engagement, Australia can position itself as more than a transactional partner and instead as a meaningful contributor. This unity approach would enable *brand Australia* to withstand potential short-term market or geopolitical fluctuations by providing stable and sustainable cultural relations, messaging and educational opportunities.

5.2 Transnational education

Exploring or commencing new offshore delivery models requires investment and time to achieve outcomes. There are further opportunities to be realised in South and Southeast Asia which would drive the development of human and social capital through the utilisation of high-quality Australian education delivered in-country.

Most regional universities do not have significant offshore staff to assist with relationship development, and while Austrade is of assistance at a macro level, on the ground realities require more detailed assessment. A Government seed funding model would assist smaller regional universities to move beyond partner identification, toward the operational realities and nature of contractual arrangements for new offshore partnerships.

5.3 Regional incentives

UniSC welcomes the Government's decision to extend the duration of post study work rights for international students at all Australian universities in areas of verified skill shortages. This policy could increase the number of international students who stay and work in Australia after they graduate and help address some of the labour and skills shortages our country is experiencing.

However, additional years of post-study work rights was previously only available to international students who studied at a regional university, with the express objective of incentivising international students to consider options outside of the cities. While the Government has retained the additional time allocation for post study work rights for students studying at regional universities, UniSC is concerned that this incentive has been diminished. This may result in more international students choosing to study in the cities and further challenge the ability of regional communities to attract and retain the skilled labour they so desperately need.

UniSC believes it is important that regional universities continue to be able to offer unique and attractive post study work right opportunities for international students. Consistent with our submission to the Migration Review, we propose the following options for consideration to assist regional universities in retaining a unique and attractive post-study work rights differential:

- Fast tracked visa processing for international students who have enrolled at a regional university
- Fast tracked migration and residency pathways for international students graduating from a regional university who also go on to stay and work in a regional location, e.g. increase points from 5 to 15 for Skilled Visa applications.
- An income tax deduction for international students:
 - Studying at a regional university and undertaking paid employment in that region
 - Graduating from a regional university and undertaking paid employment in an area of verified skill shortage in a regional location
- Either directly, or via agreement with state and territory governments, provide international students studying at regional universities with a rebate on accommodation costs
- Either directly, or via agreement with state and territory governments, provide regional employers with a wage subsidy for employing international students graduating from a regional university who work in an area of verified skill shortage.

5.4 Retention and employment

Australia is missing out on potential skilled labour by not offering post study work rights to international students who obtain their degree from an Australian university in an offshore location. In most cases these graduates would not be immediately eligible to apply for skilled employment visas due to their lack of experience, however given their exposure to Australian education and workforce needs, we think they have much to contribute should they be given the chance.

UniSC notes many employers, particularly small and medium businesses, remain uncertain of the visa processes and likelihood of success when seeking to hire international students during and after they graduate. The Government should consider a comprehensive and ongoing campaign to employer groups on the process for hiring international students, including demystifying and reassuring prospective employers about visa options and available support. This should include financial incentives for businesses to take on international graduates in skill shortage occupations and in regional locations where labour shortages are generally more severe.

Recommendations

16. *The Government and industry develop a more competitive Australian higher education value proposition, including consideration of a British Council type body for Australia.*
17. *The Government consider a market entry seed funding initiative to support smaller regional universities to increase their transnational education offerings.*
18. *The Government develop additional incentives to encourage international students to study at regional universities given the economic and social contribution they make to the regions.*
19. *The Government expand post study work rights to international students who obtained their degree from an Australian university in an offshore location.*
20. *The Government develop a comprehensive and ongoing campaign to employer groups on the process for hiring international students, including financial incentives for businesses to take on international graduates in skill shortage occupations and in regional locations.*

6. University infrastructure

Quality teaching and research relies on modern and accessible infrastructure. University facilities are also community assets and are regularly used by a wide range of individuals, community and sporting groups, researchers, councils and government stakeholders.

Current university base funding does not make adequate provision for new infrastructure or the ever-increasing cost to maintain existing facilities and there has not been a dedicated higher education infrastructure fund for many years.

UniSC, like other regional universities operating in thin markets with fewer alternative revenue options, including research grants that provide some support for costs of infrastructure and equipment, is challenged to fund new infrastructure projects and maintain existing facilities.

By way of example, apart from a Commonwealth concessional loan for Stage 1 construction costs for UniSC's new campus at Moreton Bay, UniSC is entirely self-funding the capital costs. When Stage 2 of the campus is completed in early 2024, UniSC will have invested \$220 million to deliver this much needed facility in a region with one of Australia's lowest higher education participation rates. Further growth of the Moreton Bay campus will be dependent on government funding or industry contributions, which risks delaying future expansion to accommodate student growth.

In addition to the lack of a dedicated Commonwealth higher education infrastructure fund, UniSC is also often ineligible to apply for funding under other government infrastructure programs due to definitions of regionality i.e. some of our campuses are not defined as 'regional' despite those campuses delivering the very outcomes those programs are seeking to achieve. We encourage the Government to consider how it can work with the regional university sector to address this issue, for example by re-establishing a dedicated higher education infrastructure fund and including a dedicated amount for regional universities.

We therefore support calls for the re-establishment of dedicated higher education infrastructure program or financing facility that duly supports the needs of regional universities like UniSC.

Recommendations

21. The Government re-establish a dedicated higher education infrastructure program, with a set allocation for regional universities, including provision for digital asset investment such as cyber security and maintenance and upgrades of existing infrastructure and facilities.

7. Regional university funding

An Accord presents a unique opportunity to develop a Commonwealth funding model that appropriately supports regional universities who make such a unique and material contribution to Australia and who do the lion's share of educating our regional and equity group students.

7.1 Regional cost differential

UniSC believes one of the pivotal opportunities for this Review is to finally understand and agree that regional universities have a higher per student operating cost than metropolitan universities and therefore to develop a funding model that appropriately addresses these differences.

Compounding this higher cost of doing business is our greater reliance on CSP revenue due to thinner student markets, fewer international students, less research income, lower levels of philanthropic support and limited investment assets such as shares. This significantly reduces our ability to deal with unexpected industry peaks and troughs, increasing student support costs and maintenance and investment in infrastructure and teaching and research facilities.

The reasons for regional universities' higher cost structure are many and varied. A key one is the larger proportion of equity group students, who in turn require a greater proportion of revenue invested to support their success. Another is higher operational costs due to dispersed campuses (e.g. provision of infrastructure to meet accreditation requirements, equity of staff and services across campuses, higher recruitment and onboarding costs) which are important to deliver accessibility and success for regional students. This can be illustrated by considering UniSC's Fraser Coast campus. Based on program offerings designed to meet student interest / demand and community expectations, the campus operates at a loss. With base expenditure of around \$22,000 per EFSTL, in the absence of further funding, commercial sustainability for that campus will rely on significantly higher enrolments, which is unlikely in the short to medium term.

The sustainability of many small regional campuses such as our Fraser Coast campus will continue to be a challenge, including the prohibitive cost of providing a sufficiently comprehensive range of programs and courses in thin markets. Nevertheless, the commitment to local communities requires a continuing presence despite the cost. Opportunities should therefore be sought to capitalise on the presence of such campuses by building collaborative approaches to support lifelong learning for regional communities. Government funded Regional University Centres (RUCs) demonstrate what can be achieved to support regional accessibility and outcomes. A variation on the RUC model could be explored to maximise the impact of existing small campuses in regional communities as a way to capitalise on this infrastructure. Without the need to build new infrastructure, the scope of selected small regional campuses could be enhanced by increasing their online and/or blended offerings and learning support services in partnership with other university and VET providers, schools, industry and community. Incentivisation for regional universities to take the lead in establishing this model could include additional CSPs, support for improved technology-enabled learning environments, infrastructure upgrades, VET pathway scholarships etc.

7.2 Regionality definitions

UniSC contends that this Review and the Accord must find a fairer way of addressing the inconsistent and discriminatory government definitions of regionality in higher education, research and infrastructure funding programs.

Most higher education funding models, as well as regional infrastructure programs, are tied to regionality on the basis of population centres, using various ABS derived geographical definitions. We argue these regionality definitions are fundamentally flawed and should better recognise the socio-economic challenges of inner regional / peri-urban localities which may not fall into the statistical classification of 'regional' or 'remote' but carry an equivalent level of disadvantage or need e.g. Moreton Bay in Queensland is not considered regional by most Government departments, yet it has one of the lowest higher education participation rates in the country.

By way of example, if UniSC's Moreton Bay, Caboolture and Sunshine Coast campuses were eligible for the Government's higher education regional loading, it would have amounted to an additional \$11 million dollars in funding in 2022. Our Sunshine Coast campus has met the definition of regional for the regional loading scheme in prior years. By contrast, the Department of Home Affairs considers all of our campuses regional for international student post study work rights.

UniSC suggests a better approach would be to consider the ability of the funding recipient to deliver on the objectives of the policy and associated funding program. That is, do not exclude an organisation based on the physical location of their office, or in the case of universities, their campus, rather consider their ability to deliver the benefit or outcomes sought.

7.3 Measures of success

There is a disconnect between the reputation of older, larger universities and the metrics for teaching quality, student satisfaction and graduate outcomes of younger universities who may not have the same brand recognition.

At UniSC our consistently high rankings for teaching quality³¹ and student satisfaction³² demonstrate that we can deliver excellent, research informed teaching and learning for our students, while simultaneously providing strong academic and financial support for students who need extra help. We also note our significant improvement in graduate employment outcomes³³ and the meaningful contribution that is having on meeting the workforce needs of our regions, particularly in skills shortage professions such as nursing and teaching. Since 2020 employers overall satisfaction with UniSC graduates was higher than the national average (85.4 per cent compared to 84.8 per cent)³⁴.

UniSC therefore believes the Government should review measures of success tied to university performance funding, with a stronger focus on teaching excellence, student satisfaction, graduate outcomes and employer satisfaction. These measures should consider relevant university circumstances, including its student equity and full-time / part-time ratios (e.g. impacting attrition, retention and completion timeframes / rates) and regional employment trends (e.g. impacting post graduate employment timeframes and full-time versus part-time employment outcomes).

7.4 New funding model

Universities need a long-term, flexible, sustainable, transparent and equitable base level funding model so we can better plan expenditure over longer planning horizons that align with our strategic plans and to more easily manage industry peaks and troughs.

Under the JRG funding model, based on the funding clusters and overall contribution rates (i.e. Commonwealth funding and student fees), UniSC estimates its teaching revenue has declined by \$20 million due to the nature of our enrolment profile. Currently 65 per cent of our enrolments are in funding clusters that receive less funding under the JRG Package, ranging from 6 per cent to 29 per cent less per cluster, averaging a 15 per cent funding reduction. Materially for UniSC, our most popular program, nursing, receives \$1,729 less per ESFTL.

This is further complicated by those clusters to which the JRG is intended to encourage greater enrolment through reduced fees. With the exception of management and commerce (increased overall funding), UniSC's main enrolments, which are similar to other regional universities, are in programs for nursing, allied health, education, science and communication which all received a reduction in overall funding. Due to the nature of accreditation, staffing and infrastructure requirements to deliver these programs, under the JRG model they operate on a minimal margin to loss making, thereby applying pressure to generate other income sources such as international students.

Of course, many of our students are also financially impacted, particularly our equity group students given their course choices. For example, 44 per cent of UniSC's Indigenous students in 2022 were enrolled in programs that had a higher student contribution amount versus 38 per cent of non-Indigenous students. Further, 46 per cent of students with a reported disability were enrolled in programs that had an increased student contribution fee compared to 37 per cent of students without a reported disability.

³¹ <https://www.gooduniversitiesguide.com.au/course-provider/university-of-the-sunshine-coast-unisc/ratings-rankings/undergraduate>

³² [https://www.qilt.edu.au/surveys/student-experience-survey-\(ses\)#report](https://www.qilt.edu.au/surveys/student-experience-survey-(ses)#report)

³³ [https://www.qilt.edu.au/surveys/graduate-outcomes-survey-\(gos\)](https://www.qilt.edu.au/surveys/graduate-outcomes-survey-(gos))

³⁴ [https://www.qilt.edu.au/surveys/employer-satisfaction-survey-\(ess\)](https://www.qilt.edu.au/surveys/employer-satisfaction-survey-(ess))

Recommendations

22. *The Government recognises that regional universities have a higher per student operating cost than metropolitan universities and develops a funding model that addresses these differences.*
23. *The Government explores the potential for enhancing higher education for regional learners by supporting regional universities to create integrated regional campus learning hubs at selected campus locations.*
24. *The Government considers a more nuanced definition of regionality in higher education, research and infrastructure funding programs.*
25. *The Government review university measures of success tied to funding with the objective of taking into account a broader and more nuanced range of measures, particularly where there are systemic and unavoidable differences between metropolitan and regional universities.*
26. *The Government develop a new, longer term, flexible, sustainable, transparent and equitable base level funding model.*