

CORRECTED VERSION

EDUCATION AND TRAINING COMMITTEE

Inquiry into geographical differences in the rate in which Victorian students participate in higher education

Melbourne — 30 March 2009

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Professor E. Harman, vice-chancellor,

Professor J. McCallum, senior deputy vice-chancellor, and

Professor R. Eade, director, office of the senior deputy vice-chancellor, Victoria University.

The CHAIR — I declare this hearing of the Education and Training Committee open. We are inquiring into the issue of geographical differences in the rate in which Victorian students participate in higher education.

I wish to advise that all evidence taken by the committee, including submissions, is subject to parliamentary privilege, of which you are probably aware. We are pleased to talk with representatives from universities today. As a start to that, we thought it was particularly useful to hear from Victoria University. We are particularly pleased that Vice-Chancellor Elizabeth Harman is here from Victoria University along with two of her colleagues, who I will let her introduce to us.

Being aware of the closure of the Melton and Sunbury campuses of your university, we wanted to talk to you so we can understand the issues that led you to that decision, because we felt they may have implications for the sorts of recommendations that we may put into our inquiry.

In the latter part of the hearing we will be hearing from all invited universities, and we are particularly looking at the Bradley review and any further information you might like to provide to us in regard to those areas we are looking at in general.

I welcome Elizabeth and her team. If you would like to introduce yourself and your team, we would be interested to hear from you initially, and then have the opportunity to ask some questions ahead of the beginning of the second part of the meeting at 2 o'clock.

Prof. HARMAN — Thank you very much indeed, Mr Howard. I have to say we are grateful for the invitation to be here today. I will give you a little bit more of an understanding of why we are grateful in a moment. I presume I have 5 or 10 minutes when I can just give you a bit of background and then plenty of time for questions?

The CHAIR — Absolutely.

Prof. HARMAN — I have with me Senior Deputy Vice-Chancellor Professor John McCallum. John is not only experienced and has a great record, as a researcher and a teacher and administrator in the higher education sector but he is also the person who has carried forward the planning and transition arrangements for the Melton and Sunbury futures move forward at those campuses.

Professor Rodger Eade has got more history at VU than I think anybody else in the institution; he has been there a much longer time than either John or me. He has a planning background — he was originally a professor of planning — so has great experience to bring into the issues that we have been dealing with as a university for the last four or five years around our multicampus status. He has, I suppose, a detailed knowledge of every campus, every course — I am going to say that: every campus, every course — almost every one of our 47 000 students across all sectors. You have the strategy on this side and the detailed strategy on the other side of myself.

We do welcome the opportunity to be able to talk with the committee ahead of the rest of the vice-chancellors in the sector in Victoria. You are well aware, as we are, that we have had a lot of stick about the Melton and Sunbury decisions. They are ones that were taken by the university council, chaired by Justice Frank Vincent, after, I have to say, years of deliberation and research that was commissioned by the university in a series of studies, the most recent and the most influential being the one that was chaired by Peter Noonan, who subsequently became a member of the Bradley inquiry — appointed at the national level — and who understands both the TAFE and higher education sectors.

The fact is we have had a lot of stick about particularly the Melton and Sunbury issues. I am hoping that by the time we have had this half-hour discussion and you have had some chance to have a look at the materials we have given you, you will understand the reasoning of the council and the university, have some sympathies and in fact see the good sense of what we are trying to do, and perhaps be able to give us some good advice on the manner in which we can go forward in the best interests not only of the region and the university but of the catchments that are encompassed in Melton and Sunbury, being two of the six local government areas in the region that the university was originally created to support and serve.

I became vice-chancellor in 2003; I am going into my sixth year. At that time the university had not yet come out of the most recent merger. There had been a series of mergers through the 1990s. It had just come out of the

merger with WMIT in 1998, five years before, and the university was still dealing with the aftermath of fraud issues. There had not been a lot of work done through the 1990s, which was a growth period in many ways and a series of merging institutions together across the west.

Faced with the cataclysmic event around the fraud issues and all the problems that came with that, there really had not been a strong sense of strategic direction which built the whole university as an individual institution and then said, 'How do we go forward in the context of a growing region, and a region which is economically changing, socially changing and culturally diverse, and with a weak urban infrastructure in the sense of some of the transport issues and the like?'

We began at the council level, as well as within management, with a sense of, 'How do we build a single institution, and how do we fulfil the promise that it was created for in the western region?'. If I shortcut the story through to now, we are facing a circumstance where the Peter Noonan report took the growth projections of the region and took the data, particularly from VTAC and On Track — am I right in that? — on preferences for all institutions. We are not a monopolist in the west.

We are committed to and created for making a difference to education in the west, but we are not a monopolist. In other words, every other institution — RMIT, La Trobe, Melbourne and many of the TAFE institutes — draw students out of the western region or teach them within the western region.

That particularly applies to the three outer campuses — Werribee, Sunbury and Melton. In those three catchments there is virtually the same pattern in every case. Of the number of students who go on — and I will just take higher education; I will not take vocation in the first instance — in the higher ed. case you have circumstances in all three catchments where of those students who go on to a higher ed. place, 30 per cent — that is, say, 1 in 3 — come to VU; of those, 5 per cent stay at the local catchment and 25 per cent choose another VU, either somewhere else in the region or in the city. Our largest campus now is Footscray and in the future it is likely to be St Albans.

We have a circumstance where we are committed to the region; we were not planned for the region. Notwithstanding the fact that we are not a monopolist, we compete, and we will increasingly compete in the future with the Bradley and Gillard reforms. Together with the state governments and the TAFE sector, it will be an increasingly competitive and contestable future — that is, we will be competing for those students even more effectively.

We will remain committed to the fact that we are, much more than other institutions, a provider to low income and to the culturally diverse. By 'low income' I mean that I think still 25 per cent of our students are from low income, compared to less than 10 per cent, say, from Melbourne University. And the students strip out of the region in those proportions.

We are also in a circumstance where one out of two of our higher ed. students — and I am not talking now vocational, our higher ed. students — speak a language other than English at home. That means there is the need for us to provide, on the one hand, financial services which support students in the region from a low income. We provide the largest number of equity scholarships of any institution in the state — 500 — and we provide English language, not just for international students but for new migrants. Those services are expensive and we are not supported for them.

I will go back — a university not planned, with a commitment to low income, a commitment to cultural diversity and making sure that we support the students adequately in the western region, and now commissioning a report by Peter Noonan and those who worked with him to try to forecast how we would handle growth across the region.

We now think that by our centenary 2016 — about six years away — our 45 000 or 47 000 heads will have grown to something like 80 000. That 80 000 will include 15 000 offshore and 65 000 here in Melbourne. That 65 000 across both sectors, on a heads basis, we have to accommodate in some way across the infrastructure, and we have to provide quality services, too, continuing to provide them for low SES, continuing to provide them for cultural diversity — not being funded for either in any exceptional way by the government, by either government, in terms of the two sectors.

The council therefore went back and said, ‘Peter and management, bring us forward a plan’. Now the plan started in, I suppose, 2004, with the first study of campuses. Again, on the background we have 11 campuses; when I arrived we had 13 campuses. The next university which has a large number of campuses is La Trobe, and it has 7. We had 13 and we now have 11. Every time you have a campus you have to provide library services, cafeteria services, security services: all of the things that take funding away from students — away from their language support, their literacy support, their classroom support and their financial support.

We went from 13 down to 11 with the help of state government — that is, the state government supported us to close, as the first campus that closed, South Melbourne. We had an old high school and were funded to put in graphic design and visual arts and to move that campus first onto Flinders Street and onto Nicholson Street.

We have had a second decision by the university’s council to close the Newport campus. The Newport campus is not yet vacated; the plans are to do so. The state government has gone so far as to support the quarter-of-a-million-dollar feasibility study, and we have a bid in in the current budget round for \$35 million in assistance to relocate the Newport facilities into modern facilities at the Sunshine campus.

The third and fourth decisions around campus consolidation were the Melton and Sunbury ones. The Noonan report said, as I have already indicated, that the three outer campuses are all in the same circumstances: they are very small; of all the students in those three communities, of the 30 per cent — well, 95 per cent of students go past the local campus and go somewhere else. They go to another provider — TAFE or higher ed. In Sunbury it is particularly to Kangan Batman TAFE. Kangan Batman serves that region very well.

In Melton primarily the TAFE students — about 60 per cent, if I remember rightly — come to us. But most of them do not go to the local campus, they go to one of our other campuses for their TAFE course, and the majority of the higher ed. students go past the local campus also.

The same thing happens at Werribee. But council, in looking at the determinations of the Noonan report, said, ‘We will not address all three outer campuses in the same way, we will consolidate, but we will hold onto and try to develop and continue to build the one that appears to have, on the forward projections to 2031, the best chance of having a genuine university experience by 2031’. By 2031 every one of the three campuses still looks like they will be no larger than a high school, on numbers. That is with not the largest growth projection, but the mid-sized growth projection and the mid-sized participation rate. That is with an improved participation rate in the region.

The last points I would like to make before turning over to questions are these. VU is absolutely committed to being a university for the western region, but competing as we do now, successfully for students in both sectors and offering them something distinctive — that is, offering them a strong chance of being supported if they are financially in difficulties, or at least challenged, supporting them linguistically, particularly in English language, for success and supporting them for strong employment outcomes.

We are putting in a lot of work as a result into retention and success with all our students. We were delighted with the last teaching and excellence awards by the national government, that we received excellence funds for our arts, humanities and education sector, and we topped the country in employment for graduates from that area. That means we beat Melbourne, Monash, La Trobe, RMIT and universities across the country in making sure our arts, our teaching and our humanities graduates got a job when they left the university.

If we are to continue to be able to have a quality institution for international students and local students we cannot be the only university in the country that spends some of our scarce resources not supporting those students, but in fact maintaining 11 campuses which are open in a metropolitan area, where the campuses are no more than 30 to 45 minutes apart. The university with the next largest number of campuses is La Trobe at 7, and they are in regional areas scattered across the state. The next one, the University of Western Sydney, which has the closest geographic corollary to us, does not have 11 campuses; it has 6 coming down to 5.

There are half a dozen universities which you will find listed in our submission which have had the same difficult decisions we have — they are looking at small campuses and saying, ‘Is the best way of supporting our future 80 000 students going to be for the less-than 5000 in Melton and Sunbury, or is it in pooling our resources into better teaching and better modern facilities in each of our major campuses?’. We are therefore building fine, strong campuses — the two at Footscray and at St Albans and Sunshine, and Wyndham,

Werribee — and we have campuses in the city. But they are not the large campuses. As the population grows our critical mass will shift from Footscray out to St Albans.

We are spending \$60 million building infrastructure now at Footscray. We have got bids in for 35 and another \$100 million at Sunshine and St Albans. And we have got new initiatives and developments going in at Wyndham.

Mr HALL — Thanks, Elizabeth. It is certainly helpful for us to better understand those decisions. In respect of transport arrangements and public transport, is the university satisfied with the adequacy of public transport from places like Melton and Sunbury into Footscray or St Albans?

Prof. HARMAN — I think, Rodger, it might be best if you were to talk. I will make one statement and then perhaps go to you. In short, no; I think we could argue that the whole western region needs a transport overhaul, and that is whether you are talking about the major review that has been going on and the question of the tunnel and the bridge or whether you bring it down to individual sites within the western region.

I could take the link between St Albans campus and the Sunshine Hospital, where we are investing in the TTR and the local shopping centres, where we in fact have agreed with Western Health that we would like to coordinate bus services that run, linking the shopping centres, the campuses of the hospital and the university. So microcosm, no; macrocosm in the region, no, but in terms of your specifics of the links between the two outer campuses and the larger critical mass — Rodger?

Prof. EADE — The only other thing I would add, Mr Hall, is that St Albans is on the same train line as Sunbury. As you would be more aware than I am, there are proposals at the moment to bring Sunbury into the metropolitan train network rather than the V/Line network. We would argue that the public transport is extremely good. There is also good road transport from Sunbury to St Albans and Footscray, albeit it is about a 40-minute drive to Footscray and probably about 30 minutes to St Albans — probably slightly less to St Albans.

The public transport from Melton to St Albans is not as good, but from Melton to Footscray is not bad with the train connection. The advantage of Footscray is that it sits at the node of the two major road highways through the region and the two major train lines that go through the region.

Mr HALL — Given the majority of students in those particular catchment areas attend other than their local campus, do those students currently use public transport predominantly or are you not aware of how they get to other campuses?

Prof. EADE — I do not think we have got data at our fingertips on the proportion of students who travel by public transport and roads. It would be a combination of both, but students increasingly want to drive, as does everyone else. Parking is one of our big issues. We have, though, significant numbers of students who travel to Footscray and St Albans by public transport. There is a very well-worn track from both the Footscray and St Albans railway stations to our campuses.

Prof. HARMAN — One other point on that: we would be first to say that, regardless of whether a student wanted to travel by car or any other means, it is not always easy for them, and financially it is not always easy for them. One of the things that we have been doing is partnering for some years now with Western Chances. Because where Western Chances, the Terri Bracks initiative, finds a student in the western region who is facing educational disadvantage as a result of transport problems, then the scholarship support or the funding support that is provided is often targeted at that transport issue for the most impecunious students.

Mr HALL — Can I ask one other question just finally about the Newport campus, because I was approached by a number of students in respect of the imminent closure of that and therefore the need to relocate automotive to other areas: some of the students put to me at that particular point in time that their choices were either Geelong, Ballarat or Docklands, which is not going to be available for next year. In respect of that particular course, automotive at Newport — you said Newport was not closed entirely, but I think automotive is finished now?

Prof. HARMAN — Automotive is because Kangan Batman has taken it.

Mr HALL — So those students will have to come across the West Gate Bridge?

Prof. McCALLUM — Peter, as you mentioned, there is a range of options. The vocational education staff tracked all students and are making sure they are located in one of those options. Some would go across the bridge; some would go north and south.

Mr HALL — It was suggested to me that it leaves no opportunity for training in automotive in the west. Is that correct?

Prof. HARMAN — For the period of time.

Mr HALL — For the period of time until Docklands is established?

Prof. HARMAN — Because neither of us has got the actual details at our fingertips — I know the director of TAFE, deputy vice-chancellor Ann Jones, has because she has been answering the same question for Dr Anne Thomson, and we have got a written reply to it. So maybe it would be best if we take it on notice and bring you that one back.

Mr HALL — Sure, that would be helpful. Thank you.

Prof. McCALLUM — Mr Hall, I think it is a good example of the way the world is heading in terms of education and training — that you have a specialist centre like the Docklands that can really have the right equipment and the world-class training and facilities to actually bring people into it. So that is the dynamic you face.

The CHAIR — Could I ask then: is there an alternative to looking at physical campuses at particular regional opportunities? Some of it will be students travelling to campuses in other locations. Have you looked at those opportunities — while some travel to another campus might be appropriate — the opportunity for online or other off-site opportunities to study?

Prof. HARMAN — The answer is yes and no. We are not a big online provider — that is, we have not been a distance deliverer, say, as Deakin was historically or Murdoch or the University of New England. We used very much a face-to-face delivery through all of its history — the individual institutions. We do, however, embed online delivery into our existing courses, but there are very few courses, and certainly not undergraduate or vocational, that would rely solely on an online delivery.

What we do, however, is still have the capacity to have learning centres elsewhere — not a full campus range but a learning centre. So, for example, I think that as we go forward and continue to talk both with the Melton local government and community groups and in Sunbury — in the case of Melton, and I am going around your question a little bit, we will continue, and you are aware of this, to work cooperatively with the local schools and use our own campus for the TTC, the Trade Training Centre, and we will be teaching the three certificates in that centre.

We will look at what makes sense to continue to add to that which would in fact have a viable future, particularly in the vocational area in Melton, and uses our facilities. We will do that with the local community. If one of those opportunities is a learning centre for, for example, our further education courses, because further education courses bring people in — the alienated young people, those who want re-entry to education — we could have a learning centre just around that aspect of our own activities at the Melton campus.

When you go to Sunbury — putting aside whatever use our campus might be in the future — the Broadmeadows initiative is such an important one regionally in Hume for education and post-secondary education. We will want to continue to talk to the Broadmeadows initiative, to Kangan-Batman, which is a partner there also and is a partner with us, so that we can build up something with the Broadmeadows centre that makes sense for the community as well.

Mr HERBERT — Thanks, Elizabeth. You said you had 45 000 students — —

Prof. HARMAN — Yes, on a heads basis, not on a full-time equivalent basis.

Mr HERBERT — What percentage of them are domestic students and what are fee-paying priority students?

Prof. HARMAN — We have about 15 per cent international. We are not over 20 like RMIT or Monash.

Mr HERBERT — Are you projecting to grow to over 20 in those figures you gave us?

Prof. HARMAN — Yes. The 80 000 I was talking about — we would be talking about, if I remember, 65 000 domestic by 2016 and another 15 000 thereabouts offshore international. When I say 65 000, I am saying onshore international and domestic, wouldn't I?

Prof. EADE — Yes.

Prof. HARMAN — Onshore international and domestic — —

Mr HERBERT — On Sunbury and Melton — I work out that about between 5 and 6 per cent of your population of total student numbers; probably a bit more given that, I imagine, there would not be too many fee-paying places.

Prof. HARMAN — No.

Mr HERBERT — What happens to that load? Do you keep that and reassign it? Do you need approval from the commonwealth to pull it out of those places?

Prof. HARMAN — It is very interesting, because the commonwealth, the Deputy Prime Minister, has just made an announcement about the next few years. On what was almost a set, targeted load for higher education — and you are talking only higher ed there, not vocational; the higher ed targeted load, funded load, was set at, say, 100 per cent, however many thousands of students on a commencing basis we took in each year — already in recent years that has been increased to 105 per cent. That is, any time we over-enrol, or any other institution does — if Sally does down there, or one of the other vice chancellors over-enrols — then they can continue to get funded.

The Deputy Prime Minister has just announced that that will move now to 110 per cent. So even if the department was to say, 'Well whatever your 100 per cent targeted load was, we are going to take that small amount — —

Mr HERBERT — Off your overhead?

Prof. HARMAN — Yes, 'off Melton and Sunbury; we are going to give it to David at Ballarat and that is going to come off you', we could continue to over-enrol. The students could make their own choice as to where they go.

Mr HERBERT — That decision has not been taken yet, obviously?

Prof. HARMAN — It has been signalled.

Mr HERBERT — Signalled? To give the Melton load to — —

Prof. HARMAN — No, and I can see that David has come into the room — I said to the Deputy Prime Minister's staff, 'The reason is VU has, with very considered evidence over several years, determined that it is in the interests of students in the region to have our limited resources concentrate on the spine of major campuses and services, not have Melton and Sunbury — if you penalise and punish us for what is a very rational decision consistent with government policy by taking places away, you are punishing the region. If you want to give more places to Ballarat to compensate politically for some constituency issues, go ahead and do it, but do it on top of what we have already got. Add more to the region; don't take away from us to give to somebody else'.

Mr HERBERT — A predictable response from a vice-chancellor.

Prof. HARMAN — A very important response, too, because it is based on region.

The CHAIR — Can I just check one detail: in terms of the number of campuses, your plan is to stick with nine campuses, then, into the future?

Prof. HARMAN — The decisions were taken several years ago by council that we had enough information to get out of South Melbourne and Newport. Last year's decision was based on the Noonan report and could have gone Werribee, Melton and Sunbury — it could have gone further. But it stopped at Melton and Sunbury, and said, 'We will maintain the Wyndham and Werribee strength and continue to focus there and try to grow it'. There has been no discussion, and in my view there will be no discussion, of any further beyond that.

There was a bit of playing around with, 'How do you keep Sunshine and St Albans running at the same time; they are so close together? Do you keep the two Footscrays going; they are so close together?'. The conversations now are much more about maintaining both of them. Sunshine has very different infrastructure needs — it is an engineering base, particularly, in the TAFE area; whereas St Albans will grow as our health and education and arts faculties are linked to the teaching and training research centre at the hospital.

With the Footscrays, you could not move away from either Nicholson Street or Park campuses easily, so we are now looking at ways in which we integrate up and down the Nicholson Street axis. I cannot see the council — certainly not in my lifetime — moving to come down further, in the west. In the city, yes. In the city we have got King Street, Queen Street, Flinders Street — that is it. And we will certainly move out of the King Street campus. We will sell it. It is a hairdressing vocational area and we will consolidate that one — but only the city.

Mr HERBERT — On that topic, Elizabeth, firstly I congratulate you on the submissions and information you have put to the committee. That is very useful and quite detailed and informative. In regard to the Sunbury campus, who owns that campus, technically?

Prof. HARMAN — We do.

Mr HERBERT — It is your property?

Prof. HARMAN — Yes; we do not have Newport, but we do Sunbury.

Mr HERBERT — Newport is in the name of the Crown, the state government, is it?

Prof. HARMAN — Yes.

Mr HERBERT — In regard to the substantial capital assets and improvements that the government and taxpayers have put into the Sunbury campus, how will they be recompensed? I assume you plan to keep it for public purposes, rather than sell it off?

Prof. HARMAN — There has been no considered council discussion of that aspect. I hope we have sent you the full council resolutions; there are about five pages of resolutions relating to every campus. The one for Melton quite clearly says, 'We will retain the campus and ownership for the future'. It does not say that as strongly for Sunbury, and there has been no further discussion as to what might happen with that campus. We have been talking to a range of both educational and non-educational potential users. Nothing has come of any of those discussions at this point.

Mr HERBERT — Was it originally handed over to you, or did you purchase it?

Prof. HARMAN — It was before my time.

Prof. EADE — My recollection is that it was more or less handed over.

Mr HERBERT — What I am coming at here, as you will appreciate, is that when you talk about the state and federal governments and taxpayers putting in resources to certain regions for higher education delivery, some of these are substantial. While the decision, with due respect, is about how you would offer that and where, based on the economics of demand and the university's prerogative, there is an issue in terms of the way governments give over property and money to universities without having any control, should those assets be realised down the track. Essentially it is simply taxpayers' money being handed over. That is the basis of what I am talking about.

Prof. HARMAN — I understand that point.

Mr HERBERT — Do you think perhaps in the future there should be some sort of safety clause?

Prof. HARMAN — I think this is an issue for government and the public interest, and the acquisition of assets on our balance sheet and the manner in which they might be realised for different purposes is an issue that you might want to take into account. But remember — this is from a vice-chancellor's point of view — we have created, as a country, universities as self-governing institutions with a council and management and self-accrediting status. A balance sheet is available, I would argue, to the CEO and the council for the purposes of education and research — that is, for the mission of the university.

If in our best judgement those assets are best deployed back into improving outcomes for 80 000 students in 2016, or 45 000 students now, many of whom are of low income and culturally diverse and are not being supported by either government — let me get angry here, not being supported by either government; in other words, we are getting the same funds as Melbourne University is for much, excuse me, easier students to support through to success — and if we use those assets that the government has provided to give better services to those students, is that not also in the public interest?

Mr HERBERT — I am not arguing about relative funding —

Prof. HARMAN — Sorry, I have just got to get strong here!

Mr HERBERT — — levels, because I use the figure of 65 000, not 80 000, frankly.

Prof. HARMAN — Absolutely.

Mr HERBERT — If we are talking about what the taxpayer should fund. But I am talking about the more specifics of when governments give and universities — —

Prof. HARMAN — Yes, I understand.

Mr HERBERT — I was around at the time and I know the submission that VU put to the state government. It was specifically for a specific purpose and a cohort of people. I do say that I think there is an issue here when that asset is realised.

Prof. HARMAN — And I accept that, absolutely accept it.

Mr KOTSIRAS — Can I ask one quick question: what is the saving as a result of the closure of the two campuses?

Prof. HARMAN — Just on the facility side alone — that is, security staff, et cetera — it is at least \$1 million on each campus, if I remember rightly. But in terms of the educational advantage — that is, how much saving we get back into our academic staff and into research and administration — we have not been able to fully quantify that. We have just been able to quantify the direct costs that go into not having to have two libraries, not having to have several security services and the like.

Mr KOTSIRAS — You were talking about costs re your diversity of students.

Prof. HARMAN — Let me just take the question of the equity scholarships. We have got more than double the number of any other university in terms of scholarships given to low-income students to help them to have an education in either TAFE or higher ed. We give 350 in higher ed, and we give 280 in TAFE. That is just one example. In terms of English language support where we have migrant students who are coming in with one out of two speaking a language other than English we try and provide additional English language support to make sure that in addition to their regular classes, they are able to speak and write.

Mr KOTSIRAS — Is there a minimum number of hours or is it ad hoc?

Prof. HARMAN — It will depend course by course and by individual student. It is very much customised — —

Mr KOTSIRAS — So it is ad hoc?

Prof. HARMAN — It is not ad hoc. It is customised by course. So if you go into engineering and they are doing problem-based learning, the manner in which the staff there believe that they should be working in

parallel with the English-language staff to make sure that the engineering students are supported would be customised for that class.

Prof. McCALLUM — Could I make two quick points on that: the first is not that we do things differently from other people, but we have to do more of it and also that it is part of the culture of the university, as it has been over time, so there is a lot of involvement of teaching staff directly in supporting students from non-English-speaking immigrant backgrounds. That is something that is not as easy to count as the hours, that is quite invisible. So those things happen.

Prof. HARMAN — But if you would like a categorisation of the services, we provide to the extent that they might look different from or similar to or more than other institutions, we could go back and have a look at that.

The CHAIR — We might leave the VU-only discussion there and open up to all the participants in the round table now.

Witnesses temporarily withdrew.

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Witnesses

Mr C. Sheargold, associate vice-chancellor Melbourne, Australian Catholic University;
Professor S. Walker, vice-chancellor, Deakin University;
Dr K. Ferguson, pro vice-chancellor, equity and student services, La Trobe University;
Professor M. Evans, pro vice-chancellor, planning and quality, Monash University;
Professor J. Kirk, pro vice-chancellor, students, RMIT University;
Professor D. Battersby, vice-chancellor, University of Ballarat;
Ms C. Murphy, deputy principal, office of admissions, University of Melbourne; and
Professor E. Harman, vice-chancellor, Victoria University.

The CHAIR — We might start with Monash University, then seek initial comments from each university representative. Merran Evans, thank you for your contribution.

Prof. EVANS — Thank you very much. I welcome the inquiry, and as you pointed out, the coinciding of the federal and state government initiatives is very timely. Monash has put in quite an extensive submission. Will I just repeat some of the initiatives that we are trying — —

The CHAIR — I think it is fine if you highlight some of the key issues, yes.

Prof. EVANS — What we have done is documented some of the initiatives we are undertaking. As you are probably aware, we have a new vice-chancellor coming in July, and a new vice-chancellor always brings new ideas, so I am describing the current situation.

Firstly, Monash has as one of its aims to admit students of merit regardless of means and circumstances. We are very focused on equity, and in fact we regard it as one of our underlying principles. We have a whole range of access pathways particularly at our Gippsland campus and also our Berwick campus where we have a lot of students from underrepresented groups. We have also fairly recently trialed a new alternative to the ENTER score for admitting students. We have looked at giving a bonus not only for equity categories and disadvantage but we have also given a bonus for students who have done particularly well in the Victorian GAT (general achievement test).

We have been working with VTAC (Victorian Tertiary Admissions Centre) in looking at this. We have looked at every applicant, and any student who has performed better on the GAT than their ENTER would have predicted, we have given a bonus.

Also several years ago when the premium HECS was increased and full fees were introduced, we committed to giving 20 per cent of that income to additional equity scholarships, so as well as our reasonably generous equity scholarship program we have added to that. We also have a Schools Access Monash program, which is an outreach program and, again, is particularly near our rural campuses.

One of the key features of that involves the Monash students giving tutorial assistance to students in some of the schools in the local area that have not had the same educational attainment and transition to university as others but also a whole lot of raising aspirations and awareness programs for students at the levels below that.

The CHAIR — Is that in secondary schools?

Prof. EVANS — Yes, in secondary schools. We also have, as I mentioned, pathway programs. We have the diploma of foundation studies at Gippsland. That has been quite successful, and we have now introduced that at Berwick as well. We also, of the group of eight, have the highest proportion of transferees from the TAFE sector and the VET sector, too.

The CHAIR — Just while we are doing this first round, we will not just concentrate on the student equity issues; we will come back to those too, if you like, Merran. Are there — as we have been moving around — a couple of key recommendations that you believe this committee ought to be putting in their report? I will give you that opportunity, or you can come back to it.

Prof. EVANS — I might come back to that one.

The CHAIR — We will move on to Carmel then.

Ms MURPHY — Thanks for the opportunity. We (including the Chair) attended an interesting conference last week where we discussed these things for a lot of the time, so it is of interest to us. Our submission also covers a range of activities that the University of Melbourne has implemented over the last few years.

The emphasis here is on the equity side that we have been looking at. Apart from a large range of scholarships that we offer, we have run a range of programs and outreach programs to really try to work with schools at the earliest stages to see if we can actually have an impact on the student enrolments numbers. One of those programs actually was not just to enrol at the University of Melbourne, it was to enrol in tertiary education more generally. We did have some success with that program, but we found that we were reaching a very small number of students. Therefore we have mainstreamed that into a range of other programs that we offer.

Another such program that we commenced two years ago was the Kwong Lee Dow Young Scholars program where we invite representation from all schools in Victoria to participate in that program to actually try to get a broad base of students who are interested in studying and coming to the University of Melbourne. We feel that we have had success in that program too, with the workings of the students who have actually made friends and developed friendships with students from a range of places around Victoria, both in regional Victoria and in the suburbs as well.

Emphasis has been on trying to increase participation from a range of backgrounds — some you might call low SES but others — to actually broaden the participation of students who have been currently underrepresented at Melbourne. Some of the strategies perhaps do not come across in the low SES numbers per se, but they are in dealing with schools right across Victoria in trying to strengthen the enrolment numbers from those areas as well.

That has been one of the things that we have been working on heavily. We can see excitement and some challenges in some of the things that are being recommended by the Bradley review, that have since been picked up by the minister as well. But we are also very interested to know what type of funding might be there to support students in particular if we want to be able to put into place some of these initiatives. At this stage we know that for a lot of the initiatives that have been picked up there is no funding that has actually been recommended yet to provide to those. We can see a lot of challenges for students and institutions and tertiary education in general unless there some further work goes on there.

We put in a range of information around the occupancy rates in housing as well in our submission because we have found that has been a major problem for our university, as it would have been for a majority of the universities around this table. We have been doing a lot of work looking at suburbs right throughout to see where else we might be able to get some housing. But of course every time we move a bit further from ours, we encroach on one of our colleagues as well. We all sort of fall into the same position. Low-cost housing is certainly one of the issues if we want to really increase representation of student groups.

The CHAIR — Thanks. Let us move to La Trobe. Thanks, Kerry?

Dr FERGUSON — Thank you for the opportunity to speak to our reports as well. We have put in originally the report which had an analysis of the data, because we have got four regional campuses. We have got 6000 students at our regional campuses, and when we look at the break-up of that 6000 we see that we have 40 per cent of our low-SES students are at our city Bundoora campus, with 60 per cent of our low-SES in the regions. I highlight that for a reason. It is quite recognised, and it was brought to the fore in the Bradley review as well, that low-SES students require more services.

When we have regional campus issues — and we put that in our report as well — there is a higher cost for providing services at regional campuses because of the scale issue. We think that that is a really important issue. In some of the discussions that we have been having around having the student experience we are really concerned about our regional students — that they get the student experience.

I think there is a whole variety of ways that we can deliver programs into regional campuses that might be cost efficient. We can frame that in a whole lot of ways around flexible delivery and a mode of providing those courses. But one of the things that we are particularly concerned about is that the students get the opportunity to be — as the National Union of Students would call it — active citizens as well. The student experience is around retention, around making connections, around retention and attrition, around the experience the students have on the regional campuses and the cost of providing services, given they are from that low-SES group as well.

We have tried a variety of techniques around outreach as well. One of the things, as Carmel suggested as well, in the Bradley review — I think the focus on social inclusion and equity and raising the participation rate is fantastic, but that does come at a cost, and there has been no attention to that cost so far in the Bradley review, except for some targets that are listed, which are fantastic, but everyone I think is slightly nervous as to how we are going to reach those targets without associated financial support to meet those.

One of the things that we did two years ago was look at some of the issues around regional participation. Some of those I put in the two reports that we submitted. One is a general report around participation rates and the analysis of the data on students at all of our campuses. The second one is specifically around equity issues for

regional students, for geographically isolated students. The Bradley review does pay significant attention to youth allowance.

One of the things that we discovered from our inquiries and focus groups is that students find the youth allowance incredibly complicated. The transparency that is required — I am not so sure; I am hoping that the new version of youth allowance will be clearer for students and their families to navigate. I think some of the changes to youth allowance are admirable. I am still not sure that it will get over the threshold of financial disadvantage being a barrier to participation. It is not a lump sum of money that students can use to offset the cost.

So there are a whole lot of requirements still around qualifying for youth allowance. But I think one of the major things is that it is so complicated for students and their families, particularly families that are new into the sector, into higher education. It is incredibly complicated.

Some of the issues that we are very concerned about include building that aspiration but working in partnership. We do not want to be falling over one another. At the moment we are concerned that in the Bradley review it looks like the money for equity and social inclusion will be competitive and that we will find ourselves looking for those dollars to support ourselves as an organisation but doing it in a competitive way. We are looking for participation through partnerships with the sector, NGOs and local government. We have already made a significant overture to the Smith Family in the Shepparton region.

We recently had a forum around how we could build partnerships to increase participation and support students from disadvantaged backgrounds at university. We have to have incentives through partnerships, not through single university competition, to get what we need — more money into the sector. I have probably gone on way too long.

The CHAIR — Let us move on to Joyce Kirk from RMIT University.

Prof. KIRK — Thank you very much. Thank you for the opportunity to speak this afternoon and I guess to add a little more detail to the submissions that we have already made. RMIT has about 11 per cent of its students from regional areas. One of our values is fairness, so of course we are as committed as other universities to strong equity performance. In fact we perform at or above state or national averages on all equity measures, except for Aboriginal and Torres Strait Islander students.

We have in place a number of initiatives that have been mentioned already. We are a dual-sector university. Like my colleague from VU, we have very active pathways in place for our students. We have outreach programs to 42 secondary schools under the SNAP scheme. We admit some of our students on teacher recommendation rather than on ENTER scores. We have outreach in the regions, we have a heavy university investment in scholarships for equity and Indigenous students, and we have a particular focus on the first year experience and the transition from work and/or school into university. We have a number of mentoring schemes in place which are common in other universities.

Dr Ferguson referred to the cost of rural and regional campuses. I would also extend that to smaller campuses. There are always issues of scale; there are always issues of costs in the provision of service, whether those services are provided face-to-face or in virtual mode. But certainly the challenges and the costs of delivering a student experience that is equivalent across all campuses is a real challenge for universities.

In terms of issues, I would highlight accommodation which we have talked about already. I also highlight the need for universities and schools to work together on equity matters. By the time you start dealing with equity issues at university in many cases it is too late, and the changes should really have been occurring way before university. I think that is a real challenge and it gets to issues of retention of students. It gets to issues of aspiration, and it gets to issues of social engagement in an inclusive environment which is something that is absolutely essential to a student's success.

Finally, I think there is a challenge which was mentioned by Dr Ferguson around the development of partnerships. In order to ensure that all of the students — all of the people — who wish to have a tertiary education can in fact have one, there is no point in universities competing with each other in these areas. At the moment RMIT has in place a project with VU and Melbourne around equity matters and around programs and delivering programs to schools and communities and so on.

We are working on a partnership model rather than a competition model. The idea is that we are raising aspirations, we are not competing for students. I think when initiatives are framed in that way, the chances of success are much greater.

They are the three challenges: accommodation, working with schools, and the development of fruitful productive partnerships. Thank you.

The CHAIR — Thank you. Let us move to David Battersby from the University of Ballarat.

Prof. BATTERSBY — Thank you, Geoff. I appreciate the opportunity to be here today. The University of Ballarat lives and breathes equity. Let me just give you three statistics to take away with you — 75 per cent of our domestic students belong to one or more of the equity groups; 2 in every 3 students comes from a regional location, and 7 in every 10 are the first members of their family to go to university. That is the reality that we live with on a day-to-day basis.

There are three issues in terms of your earlier comment about recommendations, Chair. A couple of them relate to advocacy on your behalf to the commonwealth. Three of these themes have been picked up by others, but of course the first issue is funding. The University of Ballarat receives about \$800 000 a year from the state as a regional incentive payment. We made a submission both to your committee and also to the 2006 parliamentary inquiry into retaining young people in rural towns and communities. We gave evidence there, as we are doing on this occasion, that in rough terms it costs us about 30 per cent more to engage in regional provision than I think it does for metropolitan institutions, so there are diseconomies of scale that we have to fund.

On a revenue basis it is about \$250 million a year. We get about \$100 000 from the state and about \$1.3 million from the commonwealth to meet those additional costs. It is appreciated; I do not want to say anything about that, but it does not come even close in terms of the cross-subsidisation that has to go on.

In our case the cross-subsidisation comes from international students. That would be the first issue. It is partly about further funding and advocacy on your behalf with the commonwealth in terms of what it costs to deal with students in our case, as I mentioned, who come from those equity groups.

The second issue for us is the one that has been mentioned. I cannot stress strongly enough the inequities created by the youth allowance. Again, this is a commonwealth issue, but I think advocacy on your behalf to the commonwealth in effect to significantly overhaul the youth allowance is needed. There has been tinkering with the youth allowance. As a regional institution I do not think it comes even close in terms of what is required.

Let me just give you one example. This year we had a 40 per cent deferment rate at our university. I do not know what the deferment rates were around here but 40 per cent would be intolerable. We surveyed the students who deferred and our analysis of that showed that 41 per cent are deferring for financial reasons and 37 per cent for employment reasons. You should read into that, that that is a euphemism for struggling students from struggling families in drought-affected areas who cannot afford to go to university.

What we know from these students is that probably less than one in two will go to university or take up any training or education opportunity. That means a whole generation is being lost to the state in relation to education and training. We would put that firmly at the feet of problems with the youth allowance, so I think that needs to be addressed.

The third issue in terms of your recommendations is that we, like several universities, have mandated in our act the region we cover as a university; in our case it is the western region of Victoria. We are legislatively obliged to deliver courses and programs into that region. Of course there is no funding that comes with our act, mandating that we actually do that. As I think other universities will attest, when you have your act prescribing what it is you do in the region you serve, there is quite a significant impost in relation to that.

We value that, we value dealing with our region, but there is a cost impediment involved as well. I know the university acts are undergoing reform at the moment. The commonwealth refers to this as third-stream funding, but I think there is a case to be made for funding universities both through the state and the commonwealth in relation to obligations that they need to discharge under the terms of their acts.

The final comment I would like to make, and it would be good to come back to this, is I would be very interested in making some comments and listening to whether the committee has any comments about the proposed new national regional university for Australia. I am not a strong advocate for this, but it is a juggernaut that is starting to roll. I would like to make some comments about it.

The CHAIR — I am not surprised that you have raised it; I expected we would hear some comment about that. It certainly is an issue I have been asking lots of questions about and thinking about too, but I am interested in further input on that.

Prof. HARMAN — We put in a major submission. I do not want to speak to aspects of it, and you have heard me for the last half-hour talk about Melton and Sunbury, but I would perhaps like to make two or three points. One of them I am going to say will possibly get me into some hot water because I am going to be critical of the state government in this case.

Mr KOTSIRAS — That is good.

Mr HERBERT — We are often critical of — —

Prof. HARMAN — Before I make that comment that that is a preface to, I do want to echo my colleagues in reemphasising the importance of partnerships and collaboration. Not only is there the issue which has been spoken about already, but all of the Victorian vice-chancellors and universities are cooperating with respect to indigenous students — that is, we are trying to work together to ensure that any individual indigenous student who comes into the tertiary sector in the state and needs to move or has a better opportunity elsewhere to continue their education has a chance to do so on a collegiate and collaborative basis in the system in Victoria, rather than us competing to hold on to them as they move from vocational to higher ed or from undergraduate to postgrad or to go from one discipline or field to another. I think that initiative will be a fabulous one if we can get it up and running as effectively as we hope to. I think partnerships are critical.

I want to come back to the terms of the inquiry, which is into geographical differences in the rate in which Victorian students participate in higher education. I am going to take higher education both in its narrow sense — that is, university-conducted postgraduate and undergraduate degrees — and in the broader sense in which it was footnoted and discussed within the Bradley inquiry, where higher education was defined as inclusive of diplomas and advanced diplomas taught in the vocational sector which articulate and pathway on into higher education in universities.

The reason I want to take both the broad and the narrow is to simply say that in terms of geographical differences in this state, it matters as to whether you have a post-secondary system or a tertiary system wider than universities that is seamless, that does allow students to move through pathways, entering and exiting at different points in their lives or pathwaying sequentially at any point.

The reason why it matters from the point of view of this geographical difference inquiry is you are probably well aware that the work of Richard Teese and others has demonstrated the manner in which aspirations in the eastern suburbs of Melbourne versus the western suburbs of Melbourne are quite different. You ask students in schools what they want to go on and do, and you will get lots of vocational answers in the west because that is all they have seen or thought about or been expected to think about in their homes and schools. You go into the eastern suburbs and whether or not the capabilities are there, the student expects to carry on and become a Melbourne University student or a Monash student.

Geography makes a difference to aspiration, and therefore it matters if you have the full array of possibilities in all regions, metropolitan and non-metropolitan because students need to have the chance to pathway forward if they start out, as one of our recent success stories did, in a vocational course. One of our recent graduates started out in a vocational course at VU because she wanted to help her kids do their homework. She ended up with a PhD.

The pathway story of that student is fantastic, but I could equally take a student in the eastern suburbs, and I will use my daughter as an example, who has done a degree in a university, added three TAFE awards and gone back to do a graduate certificate at another university, because her upskilling in the labour force means that she is mixing and matching TAFE and higher ed.

All of this is by way of saying it matters that we have a system post-school — call it tertiary — that works from certificate I to PhD. We have a federal government which is now recommending that that tertiary system be developed as a national system. My query is why the state government is resisting this. Victoria is the state that has led dual sectors, it has been the innovator, it has been a pioneer. It has done studies over the last four years, which are locked somewhere in the bureaucracy, which talk about the regulatory problems, the funding problems, the student problems, the labour problems; I could keep going.

None of those problems has been put aside. They still make it difficult for a student and for an institution to use the full advantage of a post-secondary system either for mixing and matching for upskilling or to pathway along to education because they have got a new aspiration from getting their toe in the water. I do not understand why the state government — a pioneer in this area — is resisting the best national chance we have ever had to have a genuine tertiary system post-school.

The CHAIR — Thank you, Elizabeth. Let us move on to Sally Walker from Deakin University.

Prof. WALKER — Thank you very much. I assume you have read our submission and also our response to the request for information. Deakin University has two core commitments which are central to the work that you are undertaking. One is to rural and regional engagement, and the other is to equity and access.

So far as rural and regional engagement is concerned, naturally we would have a core commitment to that as we have three regional campuses and we are the largest regional provider in Victoria. So far as equity and access is concerned, you would be aware of some of our outcomes: we are the largest provider of Indigenous education in Victoria and one of the largest in the country.

We actually live our core commitments and we think deeply about them. Could I just give a couple of examples that might be relevant to this inquiry — one is in relation to scholarships. Like all universities, we have set aside funds for scholarships. We could have seven times the number of scholarships that we have if, instead of giving scholarships for \$7000 a year, which we do, we gave them for \$1000 a year. It would make a better headline, a better figure. But it is the scholarships for \$7000 a year that make the difference to whether a student can go to university or not.

A student who comes from a poor background does not need just \$1000; they need at least \$7000. They need the money for their accommodation and for their food, and \$1000 will not get them that. So we have fewer, but more generous scholarships.

We have extraordinarily good relationships with TAFE, particularly in our geographic areas, but beyond that we have TAFEs wanting to join with us in partnership. We have the second largest number of transferees from TAFE into university, being second only to RMIT, which is dual sector, and Deakin is not dual sector.

There are a couple of things I thought I might emphasise to you about projects that we have on the go that I think are relevant to your inquiry in terms of raising aspirations. One is the Deakin at Your Doorstep project, which will commence next year with generous funding from the federal government. It involves accepting into a foundation studies program, which will be run out of our Warrnambool campus, students whose ENTER scores are not sufficient to get into university, or indeed in many cases students who have not finished secondary school.

It will be a two-year program — in the first year students will undertake a common program, and then in the second year either a program designed to develop in them skills for the regional workforce, or the first year of an undergraduate degree program. We are very proud of the work that we are undertaking, and hope that we can encourage many students to enrol in that program.

We also have the REAP (regional engagement access program) and the MAP (metropolitan access program), which are designed to raise the aspirations of underrepresented and low socioeconomic students to undertake university study. I am pleased to say we have 17 schools participating. The programs target years 7 to 12 — year 12 is too late; they might have already left school by then — and approximately 100 students per school are engaged in 2009.

Like my colleagues, all of us are trying to do things, but what can you do to help? I think that with the best will in the world the federal government has had a tendency to provide project funding — may I say cynically, media-attractive project funding. What is needed, however, is recurrent funding.

My colleague Professor Battersby gave you some figures; let me give you some as well. We have three regional campuses, and the regional loading scheme — that is the name of the federal government scheme — allocates \$600 000 to Deakin University, and in part that depends on one's geographic remoteness from the CBD. So we get \$600 000 a year in respect of our three regional campuses. We have figures which show that we subsidise our Warrnambool campus \$10 million per year — that is just our Warrnambool campus.

What we want is advocacy for recurrent funding. I should say that I do not believe we should be subsidising or providing recurrent funding for very small operations. There are some operations, particularly outside Victoria, which have grown up where there are 20 nurses and 10 education students studying at a particular location; that is not a campus; it is not an authentic tertiary experience. We should be funding sustainable campuses. The Warrnambool campus, although subsidised by \$10 million per year, is a sustainable campus.

The second thing we need advocacy on from you is in relation to the youth allowance. The fact of the matter is that a lot of federal government funding is being wasted on middle-class students who can well afford to live and go to university without commonwealth assistance.

They are the two things that I believe you can help us with. And you can help us with it on the basis that the Bradley targets for participation and for equity will not be met in Australia unless we encourage low SES, rural and regional students, to attend university. Neither target will be met.

I absolutely agree with the comments of some of my colleagues earlier, that we are waiting to see whether there will be money attached to these targets. Like my colleagues, I hope it will not be money that is fought over. But on the other hand we have to be realistic, and those universities that are genuinely and authentically interested in equity and access and in providing opportunities and raising aspirations should be properly funded to do so.

I am very interested in your views regarding a national university. I certainly do not want anything to do with such an organisation in terms of Deakin, but I will be very interested to hear whether it is something that is attractive to you.

The CHAIR — Thanks, Sally. Lastly, I invite Chris Sheargold of the Australian Catholic University to comment.

Mr SHEARGOLD — Thanks, Geoff. Firstly, we will start by saying that we love Bradley, we are encouraged by the minister's response, and we are waiting to see what the money is. I think that sums up what a lot of us are saying.

I want to focus on two areas: the access and equity as well as the regional aspect. You might be aware that the Australian Catholic University has one metropolitan campus and one regional campus. The sizes are quite dramatically different. I got a little unnerved when Sally started talking about sustainable; I was not quite sure. I was very pleased when she went down to 20. At the moment we have an equivalent full-time load approaching 700 in our campus at Ballarat — it is now starting to grow very rapidly — whereas in Melbourne we have a load of more like 4000, which again is growing very rapidly.

Part of our mission is access and equity, and I would like to talk about a couple of aspects of that. This year for the first time our university introduced — and we have an acronym, too — our EAP (early achievers program), which again focuses on both ends, if you like, of the spectrum: those students who were doing very well who we wanted to lock into coming to a university, but also those students who are not likely to get a very good ENTER score; we wanted to pick up students via a recommendation from the school principal and bring them into our system as well.

It is very clear, looking at Bradley, that if we are going to reach the targets Bradley sets out — and they are ambitious targets — we are not going to increase the number of students with an ENTER score of 99.5 by 40 per cent going to university or something, are we? They are already all going to university. As the number of participants in tertiary education grows, those ENTER scores will come down, and it will be very important that

the universities are funded adequately to provide the support mechanisms for those students. I think that applies equally in terms of regional campuses, and already we have had examples around the table.

But when we look at the regional loading that we receive for our Ballarat campus, that does not cover the subsidising of the services that we have to put into the library in recognising that you do not have the economies of scale in a small rural campus that you have in a larger metropolitan campus.

I mentioned our early achievers program. I would just like to highlight a couple of things that the university is doing — perhaps one in particular given the time, and that is our Clemente program, which is offered in both Ballarat and here in Melbourne and which seeks to introduce the homeless to tertiary education. What we do is bring people in, and they participate in our normal units. They do not participate in a degree program, but they participate in the normal units within our degree programs, and we give them a lot of support, as you would appreciate, and work through with them carefully.

At the end of the day we give them a graduate certificate in liberal studies which may be used as credit to get into a full-time undergraduate program. That is the sort of thing we are looking at at the moment, and that is the sort of thing we have been doing that I think is very successful.

In terms of looking for support from the Victorian government, I would just echo what everyone else has said. I think we need your advocacy in terms of recurrent funding and particularly in terms of recurrent funding for regional students, and I think we certainly need a serious move from the federal government to simplify and to strengthen the youth allowance, because we think that is at the moment clearly a turn-off for students undertaking tertiary education.

Like others, too, we are very interested in seeing the attitude to the nationwide regional university, whatever that is going to be called. We see an interesting development already in New South Wales in that regard, and whether that comes off or not, we do not know. We are standing back interested in that. I do not think in any way we would want to participate. We are already a university that is spread over three states and one territory, and we are very satisfied with that situation. Thanks, Geoff.

The CHAIR — Thank you, Chris.

Just before I move on to opening up to questions and working through those specific issues a little bit more, could I not only thank you for your time today but for those very thorough written presentations that you have provided to us both earlier and again with regard to today and the information that you have been able to compile for us in line with some of the issues we have particularly raised. You have been very helpful in terms of providing that information.

It was interesting when three of our committee members went to the higher ed summit in Sydney last week, where a number of those issues were being raised, and we had the vice-chancellor of Charles Sturt University, who seemed to be very much in favour of the national regional university, tell us it was really his idea. But I am interested to get your feedback with regard to that. I think it would be useful now if we could enter into a more two-way dialogue.

Mr KOTSIRAS — I just wanted some more information on the youth allowance, with some suggestions. Are you saying the problem is the time it takes to qualify for the youth allowance or the amount of money the students get as part of the youth allowance? What are the concerns and issues? What needs to be changed?

Prof. BATTERSBY — Can I start, because I think there are many anomalies with youth allowance. Can I just give you one? It is in terms of exceptional circumstances-drought declared areas. If you live in a small regional community, you might own the bakery. Because there is no direct relationship between the bakery and the service of regional communities, even though you are in a drought-affected area, you are automatically excluded in relation to the exemptions under the youth allowance.

The issue in small regional communities is everyone is affected by drought in those EC-declared areas, and so it creates a sort of artificial set of issues. I think if you own and operate a small business that is directly dependent on its income in relation to the agricultural industry, you are able to get an exemption for his son or daughter going to university. If you are outside of that, you do not get the exemption.

That fails to appreciate, I think, the dynamics of small regional communities. So that is one — and for students at our university that impacts immensely, because a large number of parents live and work in regional communities, and a large number own small business operations as well. I am sure around the table others can give you plenty of other examples.

The CHAIR — Are there other comments in regard to how the youth allowance should be varied or the key directions?

Prof. WALKER — Yes, I think what Professor Battersby has said is absolutely correct, but it is a subset, if I may say, of the overall problem. I am not sure whether you know the rules in relation to the youth allowance. The youth allowance applies so that a student is paid a youth allowance if they can show that over the previous 18-month period they have earned a certain amount of money.

If you are a middle-class young person, you would have no difficulty in earning that money, and indeed I am sure that often arrangements are made to ensure that you earn the money over that period of time. If you are a working-class student who actually has to work and actually has to take time off university to do that, it is quite a different exercise.

My argument is that this funding should be going to people who genuinely need money, not to people who want to become independent from their parents but people who actually cannot go to university without the money. The federal government is subsidising people who do not need to be subsidised, and it is not giving enough to people who genuinely need to be subsidised. They should not have to show that they have worked for 18 months first. They should be able to show that they do not have a means to go to university and therefore be given an allowance to go to university.

Mr KOTSIRAS — What criteria would one use? The parents might be well off, but the child might want to leave the parents. What criteria do you use?

Prof. WALKER — I would have a means test. I would go back to the past; I would have a means test. I understand the situation with parents who may not be willing to support their children. That is sad, that is difficult but there are people who cannot go to university because their parents do not have the funds, and they do not have the capacity to earn. In a regional town how can you earn that amount of money working in the baker's shop?

Mr HERBERT — Whilst I appreciate your point, surely it is a bit more complex. At what point do we call — you are saying parents and students, but we are talking about 21-year-old people, and I just find it a little bit difficult in that sort of context to say that on the one hand they are treated as an adult but in terms of a subsidy for wages, whether it be youth allowance or whatever, on the other hand they are treated as a child of their parents. I just find it a little bit hard to reconcile that.

Prof. WALKER — Do you?

Mr HERBERT — Yes, I do.

Prof. WALKER — I feel sorry for the sons and daughters. The reality is that most families support their children — —

Mr HERBERT — They are middle class; they are alright.

Prof. WALKER — Yes, exactly, Steve, they are middle class and they are alright. You do not make the rules by exceptions.

Mr HERBERT — Yes, I understand that.

Prof. WALKER — Make the rules by what you are really trying to achieve. At the moment the system is being ripped off by middle-class children. I would prefer to see a system which targets those who really need funding assistance. Okay, there may be some middle-class kids whose parents abandon them when they turn 19. We will try to come up with a system to look after them, but do not throw the really important baby out with the bathwater.

Mr HERBERT — I am still not clear on whether — —

Prof. WALKER — Steve, if I had to write the rules, I would, and I think I could, but I would have to spend a couple of weeks thinking about them in detail.

Mr HERBERT — You do not think there is a kind of case for independence of a person, no matter what their background, who has been living independently for 12 months regardless of the \$18 000 — —

Prof. WALKER — Perhaps one could have some rules like that, but they would have to be rules that ensured that the roting that is going on at the moment does not go on.

Prof. HARMAN — Two points if I could, Geoff. One is that I do think we baby boomers have to think differently about the rules, because it has already been demonstrated that our kids are going through very different types of support right through their lives. My 30-year-old is getting first-home support. We are buying her house. She has still lived independently from us since she was 17 years old. So the nature of the financial support that sits with middle-class kids of baby boomers is very different from, ‘Are you at the age of maturity or are you not?’, and we have to think differently about it. I am totally with Sally on this.

That was a postscript. What I really want to do is point to something different. In the submission we have given you, and I have to apologise because it is not as clearly written as I would have liked, and we can give you a succinct version — but at VU we have done a piece of analysis, and I would like to use it to enrich one aspect of what Sally said.

In taking a four-year or five-year database of VU students, and you know that VU deals with the western region and you know that the sort of socioeconomic demographic and cultural diversity is very rich in the west, what we are seeing in terms of the youth allowance point is a group of students — putting aside the international — we have four groups of students, so set aside the international; we are not talking about them in terms of youth allowance support.

But in terms of the other three the undergraduate VU student who is low socioeconomic is often working as well as studying. They are working full time or more than 20 hours. The youth allowance really needs to deal with that group of students. They are lower socioeconomic than virtually any other undergraduate across many of the other institutions; I will not say all.

The second group of students we are dealing with, and I agree many of them have a vocational pathway or a vocational starting point, but they go on to undergraduate and many are postgraduate. This is a group of students who are full-time workers. They are not students, they are full-time workers. In vocational they are apprentices-plus. In postgrad they are people doing MBAs or PhDs on top of their full-time work. Some of them are old but some of them are quite young, that is they have come through end on — that student I told you about earlier.

The third group is really the one that I think Sally in one sense is missing — that is, our most alienated and disadvantaged group. They are very much at the further education and vocational end but also postgrad, and they are not at all connected to the workforce. Often they are first and second generation migrants who are trying to ratchet their way into the education system and help their kids ratchet their way into education.

They cannot get into the workforce, which exacerbates the low socioeconomic. People from the Horn of Africa sit in this group, so they cannot get their work hours. You have full-time workers, third generation, non-workers who are low socioeconomic first and second generation — both vocational and postgrad — and then an undergrad group with low socioeconomic.

I would like a youth allowance that deals with every one of those different characteristics.

Mr HALL — Can I ask a question about the youth allowance? Bradley made some recommendations about the youth allowance in recommendation 5. I am interested in some of your views around the table as to whether if the federal government accepted those recommendations, they would be sufficient to address some of the issues you have spoken about in terms of access and equity?

Dr FERGUSON — We welcome the changes, but I think David referred to them before as tinkering around the edges. We welcome those changes but the issues that are raised there are not addressed in any reforms that the Bradley review is suggesting.

We have some anomalies in the system as well. Because of where the youth allowance is struck for students who have accommodation issues and who have travel issues from regional areas, the youth allowance is not sufficient to sustain them. The *Australian Financial Review* study of students working showed that on average students are working 15 hours a week. That ratchets up for students who are in the low SES brackets as well. Students are having to work a lot.

Then we have scholarships layered on top of that, and now we find that students who are on youth allowance will not take up some scholarships because it takes them out of the youth allowance. You have youth allowance which is too low to meet the issues that people have been raising here. If we then respond to that as an institution, and say, 'We will give you a scholarship', it then compromises that. They are caught in this sort of no-man's land here where they cannot move beyond the income they have, and we know that is insufficient to get them through university.

Prof. KIRK — You find students saying, 'No, I do not want that scholarship' which is worth \$5000 because there is this other impact.

Mr HERBERT — If you work two days a week, you lose your youth allowance.

Dr FERGUSON — You've blown it, exactly. You then have the part-time issue as well because a lot of students will go part-time, but then they are out of the running for scholarships as well. Then you have a negative bias around working part time for a whole lot of allowances that universities come forward on from the commonwealth. It is not there yet. We are pleased to see the tinkering, but I think it is tinkering.

Ms MURPHY — One of the other aspects — and I think Professor Battersby spoke about it before — is the high deferral rate. Often that is because students are trying to work to actually get this money to do so, and in fact then some of them get caught in that vicious circle and then do not come back. I know we find — we only have one rural campus — most students who are wanting to come to Parkville are trying very hard to get the money so that they can actually come. In the end it is a vicious circle.

Prof. HARMAN — They are in and out until they can do so.

Mr HERBERT — The high rate of unemployment will impact too.

Prof. BATTERSBY — Peter, I am just looking at the recommendation in Bradley. I think it does go some of the way, but what Bradley also said is that this particularly needed to be significantly overhauled. I think we have to be very careful about picking five or six issues, and just fixing up five or six issues, when I think what is required is a significant overhaul.

Can I also point to the fact that I think it is moving in the right direction, because one of the key issues is about the age of independence from family. It is currently 25. There are some legacy issues as to why it is 25. Most people think 21 is the age of independence. The Bradley review has recommended 22. That is just one issue, but I think that needs to be explored in some detail.

The other point that really concerns me — and again I think it is a manifestation of what is happening in regional Victoria — is that if you look at these deferment rates and if you look at qualifying for the youth allowance, you see it is actually young males who have been significantly disadvantaged. The take-up rate in terms of going to university between males and females in regional Victoria — there is a huge disparity, because it has been young males who have been seduced to some extent when times were good, of not going to university, getting a part-time job, earning up to \$35 000 or \$40 000 a year, buying a car and realising in an uninformed way that that is what life is about and therefore are not coming back in the numbers to university.

It is young males who, I think, this is going to rebound on in regional Victoria. As Liz rightly points out, there are a whole set of other distortions in outer metropolitan and metropolitan communities as well. I just go back to Sally's point — the whole thing needs a complete overhaul.

Mr HALL — Can I say too and express the view that in listening to and reading about some of your access and equity programs run through your various universities, I know to a large extent they rely on scholarship. It seems to me that scholarship of that form is not sustainable in the long run, hence the importance therefore of getting youth allowance right, recognising the extra costs of living away from home, all those sorts of issues. Am I right in saying that; having that view?

Prof. HARMAN — Sorry, Peter, not sustainable for an institution, not sustainable in terms of it not taking a student right through their life? What do you mean by ‘not sustainable’?

Mr HALL — I mean it is not sustainable to the extent that you are going to reach those target figures that Bradley has suggested.

Prof. HARMAN — They are not going to be sufficient?

Mr HALL — And they are not going to have any bigger influence or impact on the equity issues that we are talking about now. I was one of those who went to uni. The only way I could go to uni was to accept an education fund for studentship, otherwise my mum and dad could not afford it, my being a country boy. And it has not changed.

Prof. WALKER — And there are many people who are making huge contributions and who started out their access to post-secondary education through those scholarships, and we should maybe think about reintroducing them in areas of workforce shortages.

Dr FERGUSON — For it to really make a difference, as Professor Walker said before, you need really large amounts. The ones that the commonwealth put through, the commonwealth education costs scholarship, is in the order of two and a bit thousand dollars. That just does not make a difference to people who we are talking about, who really have major costs coming.

If we then respond institutionally to augmenting that scholarship program, unless you do the very large ones, again we are in the same situation — we can do the scattergun and give everyone a small amount, \$1000 or \$2000, but we know that we will not make the difference to indigenous families and to students who are very disadvantaged accessing education.

The CHAIR — Could I ask a question that relates a bit to the social equity, but it is sort of a broad issue across the board? In terms of that partnership issue that has been raised here, certainly some of you are dual-institution but some of you work closely with other TAFEs and other VET providers in the regions that you operate. But what is the opportunity for universities to act a partners particularly out in regions but also in dealing with some of other issues so that there can be that seamless geographic approach?

There are two issues that I suppose I have in mind in terms of that aspirational issue of working in the field. A number of you are doing all sorts of things, as we have heard today, but what stops it from being scattergun? One university is targeting a particular geographic area, so you know you have got the cover, as opposed to universities doing their different things and other providers working scattergun. That is one area.

The other area is looking at having not necessarily campuses that a university owns in a regional area but facilities that may or may not be university owned so a range of providers can share those facilities in areas where they may have experience. They are some issues that I am interested to get some feedback on.

Prof. HARMAN — Can I just throw in two comments? The common facility notion — it is one that Western Australia tried in Geraldton.

The CHAIR — We are going to Geraldton as a matter of fact in a couple of weeks.

Prof. HARMAN — The idea is fantastic. I am greatly in support. Broadmeadows is equally co-located and could be a shared facility. It just has to be done right. The Geraldton facility had 20 funded places shared out — there was one staff member — between three institutions: Curtin, Murdoch and UWA. It was just nonsense. If you are going do it, do it right; actually resource it properly and allow the institutions to collaborate with a real incentive to do so. We will collaborate, as you have heard. On whether we should share out regions — a case of ‘an area should be this university or that one’ — we get into trouble with trade practices, contestability and competition.

The CHAIR — That is right. It is balancing the competition — —

Prof. HARMAN — Yes. You can hear ACU is in Ballarat, and Ballarat is across with me in Melton. I mean, we are all in each other's hats in that sense. And we are delighted to collaborate where it make sense.

Mr HERBERT — Can I just follow up on that in terms of Sally's point about what makes a university experience? Obviously one of the things that we are looking at is whether you have ICT distance education centres or whatever. But traditionally if you were a university you must have research capability — that is one view. How important is it, in terms of regional campuses, to have some effective research happening there? And, in terms of this partnership, should it be a provision of commonwealth research funding, that there is some either partnership or regional component to that funding? Does that make sense?

Dr FERGUSON — You are talking about having research funding?

Mr HERBERT — Yes, research funding.

Dr FERGUSON — Firstly, on the issue of having a campus in the region, everyone would agree that we need research there. That research does not have to be across the gamut of the research that the organisation provides, but there are unique opportunities in the regional areas for research. I think most regional campuses would be engaging in that in some way, particularly with the community there as to what its specific needs are for collaboration with research opportunities.

I think that is really important, because otherwise we are talking about a location for delivery of a program, and it is not really, as Sally indicated before, a university; it is not a campus. I think that concept of what makes a campus — and then you are back at looking at what do we expect and what would a student expect to experience on a campus. That is a question that we have to answer. Otherwise we have to be quite clear about what we are marketing and what we are delivering.

If it is a location, we have to really say that all you are going to get here is the delivery and that we will support you as best we can, but there will not be a whole range of things that make up the student experience at university.

Prof. BATTERSBY — Steve, I only partially agree with that analysis. It is because in our case, for instance, we have six regional campuses, and we are dual sector. So at least two of those campuses have a heavy presence at TAFE and a very light presence in relation to higher education. In terms of research activity, there is not a lot going on in two of those campuses.

Having said that, your question is a good one. Research is a distinguishing feature of a university. Without it I do not think you can legitimately call yourself a university, and certainly that is part of the national protocols as well. I think in regional communities the relationship between Deakin and the University of Ballarat is a good example.

Each institution has put quite a lot of money into a pool where researchers from both institutions bid for that money on a collaborative basis. We have identified several key areas of research that we think are crucial to regional Victoria. Certainly my experience is that that sort of collaboration is working very well in terms of focusing research activity on the things that matter in regional communities.

Mr HERBERT — No-one mentioned any difficulties with attracting staff to regional campuses, so I am kind of assuming that is not an issue?

Prof. HARMAN — It is an issue.

Mr HERBERT — Is the capacity to do research in regional centres a link to your capacity to recruit the sort of staff you want?

Prof. WALKER — It is a question of critical mass. Once you get critical mass, such as we have been able to achieve through the Geelong Technology Precinct at our Geelong campus at Waurn Ponds, you can get wonderful staff nationally and internationally. The problem is when you do not have the critical mass. The question is what constitutes critical mass. I think this is something that would be very helpful if you commented on, because my personal view is that Professor Bradley does not have an answer in relation to regional

provision, that she is searching and that some of the things that she has currently come up with are absolutely undesirable.

For example, she spoke at the Universities Australia conference of fly-in, fly-out tertiary provisions. If a group of nurses at Wonthaggi wanted to upskill, you would go in on one day a week and upskill them. That is not a tertiary experience; it is something different. It is not regional provision. It makes a mockery of what is true regional provision, and is, I think, an insult to those of us who do it and do it very well. There may be a case for providing opportunities for the nurses at Warragul or wherever they may be, but to equate it with an authentic regional campus is an insult.

Prof. HARMAN — I think this whole question of attracting research staff and good staff generally to rural/regional is an issue also in the outer metropolitan. I want to just give two quick examples. When I arrived at VU in 2003 there were already plans under way and the council had set aside \$6 million to build a building down in Werribee for the purposes of the Austin Research Centre, to move out of Heidelberg and across to Werribee — you may remember it.

Mr HERBERT — Yes.

Prof. HARMAN — We worked very hard on that. Both boards were interested. The whole exercise ultimately fell down. There are all sorts of stories about how it fell down, but it fell down primarily on the fact that the researchers would not move out of the Monash-Melbourne-Parkville axis for biomedical research across to the western suburbs, even if there was a lovely building they could go into, because they saw themselves as too far outside.

In the end we kept the \$6 million and the Austin Research Centre stayed and — I forget, moved into St Vincents, I think. We are now in partnership with Melbourne University and Western Health to develop the teaching, training and research centre as part of the tertiary development of the Sunshine Hospital across the western region. The whole point of both universities putting \$8 million each plus the state government money into a teaching, training and research centre on the hospital grounds is to encourage research in the western region, in the medical area, which will allow both institutions to attract research-active teaching staff into the region.

We can then upskill from undergrad to postgrad and keep research. It is an issue. The Austin exercise showed you will not attract them if they do not see their reputations and activities. The real investment in real infrastructure associated with a hospital and/or other facilities and different institutions makes the difference.

Mr HALL — Can I open up another aspect of this whole debate that is one of the important issues that we as a committee have to face? I would be interested in your views around the table on the proposal for a demand-driven system whereby the funding follows the students, and particularly what you see as its impact on regional campuses.

Prof. WALKER — We already have a demand-driven system. The difference is that in 2010 and 2011 we will be able to enrol up to 10 per cent more students than the terms of the agreement that we have with the federal government, and from 2012 we will be able to enrol students in any discipline cluster — the restrictions will go.

Currently we are restricted according to the agreements that we have entered into. So far as Deakin University is concerned, we see this as a wonderful opportunity to shape the kind of institution that we want to be. We have aspirations for our Geelong and our Warrnambool campuses to start new programs that in the past we would have had to lobby the federal government to get places for. In fact we will now be able to start those new programs without being required to do that.

We do not see it as a threat but as an opportunity. Its success for us will depend upon whether we know what we are doing and why we are doing it, and we feel that we do know what we are doing and why we are doing it, and we have plans that we have been held back on that we will now not be held back on.

Mr HALL — You have a note here, Sally, that a student who in the past may have won a position at the Warrnambool campus of Deakin University will now seek to change the arts degree they would have done there to an arts degree at Geelong or Melbourne.

Prof. WALKER — I get that one as well. Is somebody with an ENTER score of 60 who is at the Warrnambool campus studying nursing going to suddenly get a place at the University of Melbourne in physics? No, I do not think they will. I think that if we offer a proper, authentic higher educational experience with support to people, they will still come to our campuses.

Prof. HARMAN — I would like to answer that, too. I would like to say that VU is seen as one of the newest universities and a bottom feeder in one sense in terms of ENTER scores and student preferences — not for all of our courses by any means, but for some of them. I think Julia Gillard is right, and I am quoting anything when she says to expect anything but the highest standards for everyone is a cop-out and telling the disadvantaged it is all right to be mediocre is to betray their future.

We have supported and will continue to support a market-led system. If students come to VU in the future, they will come because we are offering what they want with the service they want and the quality they want. We will narrow our focus and have high-quality courses and related research to support that. If we cannot survive in that environment, we should not exist.

Mr HALL — I asked the question because an answer in Bairnsdale when we had a hearing down there fascinated me. Two young girls presented to us. What they wanted to do next year is one wanted to do teaching and one wanted to do medicine. I said they could do those courses at Monash Churchill and both of them rejected that concept. They applied for Melbourne, they want to move out of the country and want to experience the bright lights of the city. They want that student experience that some of you spoke about. I wonder whether that sort of system is going to impact further on the viability of some of our regional campuses.

Ms MURPHY — Can I say though, unless there are courses and institutions which are going to enlarge their course offerings and course numbers, there might be some new courses but most people are still going to say, ‘The profile we have been acting within is probably very similar in number terms to what we can actually physically do on our campuses anyway’. The students have always had that choice, if they have got the right course, to choose where they go as long as they meet the academic standards, which are not going to change significantly across the board.

There might be some shifting within institutions but it is not going to be significant. Otherwise we would all be larger than we are at the moment or smaller than we are at the moment, and there is no additional government funding to make it worthwhile to take thousands of extra students at this stage.

Prof. HARMAN — And that is why 95 per cent of students in Melton and Sunbury are going past the campuses. They are making that choice now — they do not need the future to do it.

Prof. BATTERSBY — I think it is important not to conflate two quite separate issues here. For Victoria there is a net migration flow-out of regional Victoria into Melbourne and interstate. The statistic I always keep in the back of my mind is that 55 of every 100 of those in the 18-to-25 age group who were born in regional Victoria continue to live in regional Victoria. In the city it is 85 out of every 100, and for regional Victoria it is actually going down. I think it is important for government to respond to issues about incentives for staying in regional Victoria.

You have to quarantine that issue about the structural issues that the Victorian government faces in terms of keeping that 18-25 age group in regional Victoria independent of this decision about a so-called demand-privilege system. My view, and I think it is probably on the table, is that life will go on. There will be some minor changes, but I am not seeing a major distortion actually happening because of this. We have been living with over-enrolment for the better part of 3, 4 or 5 years.

Prof WALKER — In commenting on what Professor Battersby has just said, the paradox is that one of the reasons why people stay in regional areas is that they feel there are good educational opportunities for their children. When you look at the participation rates of low SES students from rural and regional backgrounds — and of course there is a huge overlap — then they are obviously better when they are in a region where there is an authentic campus of a university.

Prof. BATTERSBY — I think the trick for your committee and the state government is to provide incentives to get more people in that age group out of metropolitan Melbourne into regional communities for experience in terms of higher education. We know for instance at the University of Ballarat that if we get

students out of Melbourne — and about 16 per cent of our students come out of Melbourne into Ballarat — if they are there for three or four years one in every two of them will find their first employment in regional Australia. That does not mean they will live the rest of her life in regional Australia or regional Victoria but the pay-off is immense in relation to impacting on that net migration flow, which is the other thing.

Prof. HARMAN — Again, let me not over-complicate but equally not over-simplify. It is not metropolitan and regional, yes it is regional. But the west remains a skill-short area and an education-short area with in-migration of labour every day — a skilled labour force going in everyday. If we can put the right courses, not the old legacy courses but the right courses in place and a good campus experience in the western region with Melbourne and health, and RMIT with logistics if I could and the like our chances of keeping students educated and then re-employed in the west is much greater, instead of having this migration flow across the West Gate Bridge everyday.

Prof. EVANS — I must say that I am a little bit apprehensive. I will be interested to see how it goes with the responsibility of load management and the hiring of staff and whether there will be dramatic changes. I have had the phenomenon too from the Gippsland campus that city kids want to experience the bright lights. Even if you provide a very good campus it is a natural sort of human aspiration.

Prof. WALKER — The point we are making is that that is already the case, and that the issue is: will Melbourne University suddenly decide to double in size? But with the Melbourne model that is unlikely to occur.

Dr FERGUSON — There are caveats in the Bradley review anyway, and in the government's response to that, that if there was suddenly a mass relocation of a particular area I think there would be — —

Ms MURPHY — I suppose one of the concerns is that you often have to work a lot harder in the science area to get students who are interested in doing those courses, and so some of the things that trouble us are that if some universities increase their business courses you might find there is migration to some courses. We have to look at trying to ensure that we have students interested in all disciplines. That is why outreach programs at school are so important to encourage them to do science and a whole range of things which at the moment are not as attractive to the large masses of students. They are some of the things that will need to be looked at as well.

Prof. EVANS — I do not think it will be dramatic, but I am a little bit worried about the incremental changes.

Mr SHEARGOLD — Could I make a comment about that? I am not so sure that there will not be that impact because I think at the moment there is still a cap. I know for example that the Australian Catholic University is only a small player, and I certainly echo Sally's comments that we will be able to offer courses that we have not offered before because we will not have to negotiate with the government to do that in the same way.

But I think if you have a whole lot of metropolitan universities, including outer metropolitan, and it may not be Melbourne University that increases its intake, but if you have a whole lot of public universities that increase their intakes dramatically — and we are certainly hoping to double our intake by 2015 as a result of Bradley — and that goes beyond the extent to which Bradley sees participation in tertiary education increasing those students have to come from somewhere. I think it could still be the regions that could suffer as a result of that. To me it is mathematics.

The CHAIR — It depends on?

Mr SHEARGOLD — It depends on how large the metropolitan universities will grow; it depends on how large the market will grow. If there is a slight imbalance there — those students are going to be drawn from somewhere, and if we have students looking at the bright lights of the city, who are going to go and have that opportunity that does not exist now, then they might go. It exists for a lot students, I agree, but it does not exist for every student enrolled in a region.

Prof. HARMAN — Do not forget, however, that we are also talking about changing demographics in terms of school leaver versus mature age, and upskilling in the workforce — upskilling at the graduate certificate, at

the diploma, at the post-grad level — and the fact that enterprises themselves, if they are facing skill shortages once we get through the global crisis, will need to look at upgrading their workforces. There has always been a discussion that we would not go into the future purely on the school leaver market that has been a driver in the past.

Prof. BATTERSBY — Geoff, the other issue — and it goes back to Peter's question — that I think has to be played out and will be played out is the impact these changes will have on tertiary admission centres and what they do to things like ENTER scores. In our case, for instance, we are taking the view that we will probably implement what we call an open access arrangement. Because with the students we get — and I described them before; and we have studied this over a number of years — there is a lack of correlation between an ENTER score and a grade point average when the student graduates.

That has raised all sorts of questions about why we put in place those arrangements. In our case immense support is provided to students in their first 18 months at university, and right through if they need it. That seems to make up for any difference in relation to ENTER scores. When you compare those who have a very low ENTER score with those who have a very high score, what seems to make a difference — in our case, anyway — is that level of support that students are provided; the student experience issue.

In the back of my mind I think there will be emerging some crises of confidence across the nation in relation to the role tertiary admission centres have played in the past and might play in the future with respect to these sorts of issues. I am not sure how it will play out, but I think it will be played out.

Mr HALL — Related to that, too, is that under an entitlement system — the federal government has indicated it will move down the track of a student entitlement system — do you see competition amongst the universities increasing? I noticed some of the comments you made earlier were to the effect that it is important that it is not just all about competition and that working in partnerships is probably the best way to deliver on some of the equity issues. Will the new system bring about a greater deal of competition amongst all of you? For example, Chris is keen to increase his student load.

Prof. HARMAN — I think both. Both competition and more collaboration.

Prof. BATTERSBY — Peter, I noticed that last week the Victorian minister made a statement that she would expect there to be a proliferation of private providers coming into the market. I do not have much problem with the public providers, because we are around the table here, but it is a very different story with any proliferation of private providers in this sphere, and particularly if, as is now occurring in the VET and TAFE area, there will be government support for private providers.

Prof. HARMAN — For degree-granting institutions.

Ms MURPHY — And there are some inequities in the ability to offer undergraduates a CSP or a fee place with the private providers, which is an opportunity that universities do not have any longer.

The CHAIR — Sorry, so we clarify the range of issues that private providers throw up — —

Ms MURPHY — One of them is that if they have a CSP load and an Australian fee load within the same course, they can offer both places, whereas the universities are no longer able to do so.

Dr FERGUSON — It is an additional stream of income for them.

Ms MURPHY — Yes.

Prof. BATTERSBY — Can I just elaborate on that? The state government has indicated that there will be capital funding from the state and the commonwealth to the private providers at the VET level in Victoria.

Mr HERBERT — Capital funding?

Prof. BATTERSBY — Capital funding, yes. When you start to influence the mix like that in terms of capital funding, commonwealth-supported places and other state government funding and commonwealth government funding going into the provision of private providers, it does change the landscape. The question is

how much of that funding is going to go into private provision. That has the potential to really upset the applecart — we submit that, anyway.

Prof. KIRK — I think that is a really important point, when you come back to what we were saying earlier about research and the nature of the student experience — the range of services that are provided to students across the board and the range of opportunities that students may have presented to them. If you are thinking about the provision of the full range of services — from health, medical, chaplaincy, right through — and you are looking at equivalence between universities and private providers, it is not always immediately obvious that it is there.

Prof. HARMAN — What that scenario paints to me also is the fact that in Australia we have got a system that has been divided by status, by law and by jurisdiction between the VET and the higher ed. If we move to a system where more undergraduate degrees are being offered by private providers, non-publicly funded universities, we start shifting the dividing line from the VET divide to a university — to the divide between degree and below, or certificate through diploma to undergraduate degree, and then you drop the line to those who have post-grad and research.

I put ‘post-grad and research’ because an institution like the VU blows a lot of Australians’ minds in the sense that they do not fully understand that a dual sector that has a very high proportion of further education — not just vocational; below vocational in one sense — then vocational is also highly successful at the post-grad end. And we are successful at the post-grad end, because the demographic we work with works with us right through to post-grad.

They are people who like, understand and are familiar with the way we deal with low income, with the culturally diverse, with the types of community problems and with the applied research we do. Now if you start putting a dividing line — not between TAFE and university, but up to degree and post-grad — you will find that an institution like VU sits comfortably at the post-grad and research end, even though it is not where people might categorise us now whereas you will get institutions — say, the Box Hill TAFE — which will continue to and increasingly move into the degree-granting end, but will stay a TAFE, and you will get private providers in the same space — no research, but still offering degrees, and no post-grad. Would we see that sort of space? It is quite a different landscape.

Mr SHEARGOLD — And in a competitive market a provider who just offers undergraduate degrees, a private provider who does not set aside the research and the other things that we do —

Prof. HARMAN — It means your degree becomes a different sort of thing.

Mr SHEARGOLD — It is a very strange sort of competitor, and it is a very strange competitive market, that may well give them an advantage — in a superficial way perhaps, but still give them an advantage.

Mr HERBERT — Related to that, Elizabeth, I could not agree more with you. It seems to me that what you were saying is that in this country and this state there is a poorly regulated, if non-existent, recognition of other qualifications and certainly recognition of prior learning when it comes to the higher education sector across institutions. I think what you are alluding to is the need to have a properly regulated, standardised system of recognising qualifications and prior learning, as in the TAFE vocational system.

Prof. HARMAN — I do think that is an issue. I was not really talking about it specifically, but I do agree that we need to have a much greater appreciation and ability, both institutionally and system wide, to recognise what is happening, particularly given that Australia is such a high importer of skilled migrants, where we are not giving full recognition to those skilled migrants and are frustrating them when they come here.

Mr HERBERT — Just on that point, I agree with you but I am not sure that all of your colleagues around the table would have a similar view on having a state government regulator.

Prof. HARMAN — I am not sure I am saying a state government regulator.

Mr HERBERT — One of the problems in some universities has been a lack of desire to recognise perhaps less formal qualifications or qualifications from other universities.

Ms MURPHY — That is an issue that is raised, but I think it is quite separate to what was being discussed then on funding. I think it is quite a separate issue.

Prof. BATTERSBY — The Deputy Prime Minister has announced unequivocally that this is one of her concerns. That is why she has asked John Dawkins to have a comprehensive look at the — —

Prof. HARMAN — Australian qualifications framework.

Prof. BATTERSBY — I suspect out of that these concerns you are mentioning, Steve, will start to be addressed, I would have thought.

Dr FERGUSON — I have had the experience, too. This is slightly tangential, but it is difficult for universities to talk to TAFEs in terms of the way they are structured if you are not dual sector; I do not confess to having any inside knowledge as to how easy it is in dual sector. But certainly what we have attempted with our regional campuses is to have a very close relationship with the TAFE in order to provide services and to have agreements around providing services because of the economy of scale.

That is really hard to do. It is a different language. It is a different funding scheme. Even with the best will in the world, in order to monitor those agreements it is extremely difficult, just because of the different regulations and different structures within the two organisations. To give you a small example of this, we have small numbers of indigenous students on one of our regional campuses. In order to have an indigenous support worker full time, it is almost impossible to sustain that cost for, say, 10 indigenous students.

A couple of years ago we went into an agreement with the TAFE to have the TAFE indigenous support unit provide that support. Everyone thought that was a good idea. The monitoring of that agreement was almost impossible, to the point where the students found it difficult to position themselves in order to get that support. And the support workers in the TAFE were not getting any extra income to do that, because the money that we put into the agreement went into the TAFE central budget and then did not come back out to the workers, so nobody was happy.

I am not saying there was not goodwill around that, it was just a very difficult thing for one organisation with its structure and its funding arrangements, which were quite separate to those of the other one, to have that work efficiently.

Mr HERBERT — I surmise even with the dual sectors sometimes there is an issue.

Dr FERGUSON — There may be as well. That is what I am saying: I do not know.

Prof. WALKER — While I am sure that Dr Ferguson is explaining her experience and La Trobe's experience, I would not want this committee to think that that is the experience of all universities.

Dr FERGUSON — I am not saying it does not work in some instances.

Prof. WALKER — I am not sure why, but in our case we have absolutely wonderful relationships with what I call 'our TAFEs' — with Box Hill TAFE, with the Gordon and with South West TAFE as well. In fact they are such good relations that we have now entered into a four-way relationship with the TAFEs. I do not know what the point of difference is, but perhaps some day — —

Dr FERGUSON — I do not think it is all the time.

Prof. HARMAN — I would like to come in on this one. I am sorry but it goes back to my passionate point before: we have got a Deputy Prime Minister saying there is an issue in the relationship between two sectors with completely different language, completely different funding, completely different industrial relations, not being able to work together.

Whether you are inside one institution or whether you are separate, you are able to work on a straight pathway relationship primarily and any individual projects. I cannot even employ a staff member in a single institution to work in multiple sectors without having separate contracts for separate industrial relations sourced separately and different performance. It is just a very different world.

Mr HALL — Another topic I wanted to raise quickly was in terms of the access issues that, again, some of you spoke about and the pathways — the articulation between vocational education and higher education. Have we got enough people who are walking those pathways?

Prof. HARMAN — We call those pathways that matter and pathways that do not matter. We have hundreds of pathways, of which about five matter. Of the ones that matter, two or three of them are international — that is, the students coming from offshore with a vocational starting point being taught by us and our partners onshore. There is not enough traffic on enough pathways, in my view.

Ms MURPHY — Can I say I agree with that, but there is also not the demand from a lot of students always to move from one to the other. There is an assumption made that one qualification means you want to go to a university and follow it, which is not always the case. I think we need to make that clear.

There are many students who want to do that, and we probably need to do more work to ensure that that is possible, but the end product is often the qualification at TAFE that they actually first undertake. I think there is a lot of confusion that we need to be fed directly from these institutions because everyone wants to move. There is two-way traffic all the time, as we were saying before, and very different courses for different people.

Prof. BATTERSBY — One of the adverse consequences of the skills reform package in Victoria will be, I think, to annihilate reverse articulation. In other words, we have a number of students who come in, undertake a degree and then for a whole lot of good reasons want to flow on to TAFE. Under the skills reform package arrangement, in effect they will not have a learning entitlement, because their qualification — —

Mr HALL — They will pay full cost.

Prof. BATTERSBY — That is right, full cost. And that will be a significant deterrent. It will impact certainly on us, being a regional institution where those TAFE skill sets are really very crucial in relation to those who have already got degrees. It will almost annihilate that reverse articulation.

Prof. HARMAN — That is an excellent point.

Mr HALL — Elizabeth, you gave the example of your daughter who has a degree and has done a couple of TAFE programs and then postgraduate?

Prof. HARMAN — A middle-class kid though, and not in Victoria. She went to the University of Western Australia and she is now doing Queensland TAFE and James Cook.

Mr HALL — In Victoria, cost wise that would be prohibitive.

Prof. HARMAN — It would be different.

Prof. KIRK — It is a really significant point, I think, from higher ed to TAFE.

Prof. HARMAN — Especially for workforce upskilling.

Prof. KIRK — Absolutely.

Prof. HARMAN — Workforce upskilling is often not higher ed, it is the TAFE add-on. It is a shorter program; people can do it quite reasonably quickly. But it will be an avenue that will be not available.

The CHAIR — Carmel, you had a point?

Ms MURPHY — One of the things I think we have not touched on in our discussions today is we talked about Austudy and youth allowance and how fraught that is, particularly if people can sort the system, the other thing that was recommended in the Bradley review was to look at what low SES actually is.

Should it just be on the postcodes as we have currently? Not much has come through since to say that that is going to be looked at. That is hugely problematic because depending on where you live you could actually be the poorest person in one of those suburbs but you come to one of our universities and you are not reported as being a low SES student to the government. It is quite ludicrous. There needs to be significant work done to determine what the measure should be, not just on postcodes as it is now.

Mr HALL — Can I throw one other comment forward? A quick discussion perhaps. From our discussions this afternoon, from the hundreds of submissions we have received to this inquiry, we are getting down to the point of trying to analyse and look at the reasons why there are geographic differences. Although we have talked about country/city, that geographic difference is also outer metro and that should be part of our thinking as well.

It seems to me that many of the issues boil down to cost issues: the cost of delivery if you are delivering in a region — 30 per cent more has been mentioned — the cost of supporting some of those low SES students, and some of you have commented about that too, and the costs to students themselves and their families of undertaking higher education. Would that be a fair assumption, that the most significant issues are those cost-related issues in all of those areas?

Prof. WALKER — But there is also the question of aspiration. The major problem is whether the student goes on from year 10 to year 12. That is where the problem begins.

Mr HALL — You are reminding us, Sally, we should not forget about retention rates in secondary schools.

Dr FERGUSON — And the outreach work and the cost of outreach work to be sustainable earlier on.

Prof. EVANS — That cooperative approach that was mentioned before would be fantastic. As I said, at Monash what we have is our current students, and we pay them to be tutors and mentors and role models. That really works very well, because they actually relate to those students. It gives our own students some support. Somehow we could have even a pilot of being more cooperative and try to identify areas across the state. It would be win-win.

Prof. HARMAN — I would support Merran, and your comment on it would help if we had a greater contribution to the costs of provision in regional areas. For example, if Warrnambool or Bendigo or any of the regional centres had more institutions collaborating together, properly supported financially, to give a richer experience to students in those communities, I would support the cost notion. But if you told me you wanted me to keep Melton and Sunbury open by giving me more money to run those two campuses, I would not support it, because with even a lot of money put in there the students are still going to go past because it is not going to give them — —

Prof. WALKER — Sustainable campuses.

Prof. HARMAN — They are not going to give them the sort of experience that they believe is a genuine university experience. It is not one choice for all circumstances.

Prof. BATTERSBY — Peter, I think what has come out of the Bradley review and in particular the federal government's response through the Deputy Prime Minister has been a change in the language. It is a change in relation to issues about what is in the interests of the nation and in this case what is in the interests of the state. There has been a major shift I think in terms of just conceptualising these problems from being problems about disadvantage and deficits, and so on, to how you take a nation, and in your case how you take a state, forward. To me that language is going to be very crucial in terms of the way you describe both the challenges and the problems but also the solutions. It is not about pitting one university against another, and it is not about how we address all the deficit problems; it is about what is in the interests of the state.

Prof. HARMAN — And I would like to say it is about what is in the interests of the nation, because if the state ends up arguing against some of the critical aspects of the national reforms, we will not do Australia service.

Dr FERGUSON — It seems to me that the shift in language to social inclusion also enables thinking around the social capital of regional areas, which is I think another way to think about the value that universities can add in terms of social capital and the way in which the regions can actually add value to the vibrancy of the universities that are located there. It is a whole shift in a much more positive way, I think.

Prof. BATTERSBY — In a roundabout way, Peter, I think this is in my case the strong argument against a national regional university, because it is about whose interests are actually met by that and which community of interest is actually going to be met by a national regional university. No-one has been able to answer that

question for me. I do not think the interests of regional Victoria in our case are actually going to be — in fact I think they might all be damaged if there is no strong criticism made of how this concept is starting to emerge.

Prof. WALKER — I am just a little bit concerned that we flew off from the point about school retention. I would like to suggest that more needs to be thought about by the Victorian government in relation to this. It is interesting that so many universities are doing work with schools to encourage students to stay on at school and do aspire to go to university. I suspect some teachers in schools may have given up on that, and I think that is very sad.

I think the school system itself needs to be looked at to ensure that people have those opportunities. The fact of the matter is that the retention rates in regional Victoria are significantly lower than in metropolitan Victoria, and the aspirations are different. We have to ask ourselves why that is the case. I do not think that is the responsibility only of universities.

The CHAIR — No.

Mr HERBERT — I could not agree more. Just on part of David's submission, I underline that we have had a lot of discussions and talked to universities about those school outreach programs or encouragement — how to lift aspirations. One of the interesting things in the submission you put in is the results of a survey of the students that had been involved in the outreach programs at different levels, which shows that 33 per cent increased to 51 per cent of students who decided to pursue tertiary education. That is a substantial increase from these sorts of programs.

I just take your point, Sally — if there were probably even greater cooperation in schools and universities, you could substantially lift aspirations of young people.

Prof. WALKER — What I would do, Mr Herbert, is give less money for the current youth allowance, which is being rorted. I would provide opportunities for low-SES students. I would say to them in year 9, 'There is a thing called a university; come along with your mum and dad and we will tell you about it. If you go to university, we will give you \$8000 a year. Learn about it now in year 9 and stay on until year 12 and go to university. If you stay to the end of your university degree, after three years your life-long learning capacity on average will increase by \$1.5 million. There is \$1.5 million worth of reasons for you to come along and learn about university and get a scholarship to sustain you during that period of time'.

We need to do something in year 9 to make students stay at school.

Mr HERBERT — I think that is right. I was just looking once again at David's submission, or the submission of the university, where they are actually saying that you have been targeting primary school students.

Prof. KIRK — Of course.

Mr HERBERT — So maybe year 9 is — —

Prof. WALKER — Year 9 is the year when they can leave.

Prof. HARMAN — The state government, as I understand it, through the Department of Education and Early Childhood Development, Peter Dawkins' department, is doing a lot of work in this area, around schools and schools' attitudes, because it is not just about universities linking with students, it is about what is happening to teachers and the professional development of teachers and the recruitment of teachers and the support for teachers in different geographical areas.

There is a lot of research on that. I agree that the retention in schools is absolutely critical, and I agree with you, Sally, that there are all sorts of things we can do as universities in relating to individual students, whether it is through primary or through secondary. Our teacher education faculties, however, also have a role to play with respect to the professional development of teachers and the manner in which they shape aspiration in different geographic areas by virtue of their own expectations.

The CHAIR — Thank you for that. In terms of our viewpoints, and David was looking for feedback in regard to the national regional uni and so on, we have not been in a position where we have talked about those

issues. Clearly that is a concern that we will be talking about, and in our experience in travelling around the state and so on we have seen that all of the Victorian universities are doing things in the regions — varying sizes and so on.

Yes, we would be wanting to be very careful to see that the sorts of things that are already under way and are being well provided in regions are not being threatened by a selected national university or another body that was going to come in over the top. These are the sorts of things I have no doubt our report will make some clear comments on.

Mr HERBERT — Just on that, if you are putting in submissions on that, it might be useful to copy them to the committee, on the specifics.

Prof. WALKER — There is no process for submissions at this point.

Mr HERBERT — Presumably there are papers or — —

Prof. WALKER — And interestingly the money that has been given, the \$2 million that has been given, is to investigate the merger of two universities rather than the larger issue.

The CHAIR — Yes, that is right.

Prof. BATTERSBY — Except they have now developed the website www.nura — which stands for ‘national university for regional Australia’. The website says that they have been given the \$2 million by the federal government to specifically set up a new national regional university. It is not about the merger of two universities; if it were, I would not buy into it, because universities could do whatever they liked on that front. But if it is under the mandate to represent regional Australia by establishing a new university, then I think the state government, presumably, has an interest in that.

The CHAIR — That is right. There are huge questions about what has happened in that regard.

Thank you very much for the contributions you have made. There are other issues that we may individually want to follow up on, including the literature that we might want to get back to you on — either ourselves or through our research and executive assistants. There are certainly some issues that we have touched upon today but have not gone into in as much detail. We will be looking forward to following that up with you, maybe as further questions arise in our final deliberations.

It has certainly been very helpful to have your input today collectively, and this opportunity for a dialogue has been greatly valued by us. Thank you very much. It will be interesting when we get to those final deliberations — —

Prof. HARMAN — Can you give us some sense of your time frame?

The CHAIR — Our report needs to be provided by 30 June this year. We have got the one visit to Geraldton to just have a look at those issues and what they are saying about how Geraldton has worked or not worked. That is effectively the last of our deliberations externally. We will be then looking at, over the latter part of April and May, finalising the details in our report.

Committee adjourned.