

4. Enhancing and enabling regional, rural and remote communities

Issues

- Education providers are an important part of regional, rural and remote (RRR) communities. Australia has a number of thriving regional universities that play a crucial role in developing skilled workers to drive the economy in their local areas. Similarly, TAFE and private vocational education and training (VET) providers make a positive contribution, particularly in rural and remote towns and in key rural industries such as agriculture.
- There are opportunities to develop the capacity of education and training institutions and the role they play in economic development in RRR areas.
- Building the educational and research capacity of education institutions has the potential to support economic development and increase the study options available for students, improving outcomes for students and communities.
- Stronger education institutions will help attract more students and professionals to the regions. This is an ongoing challenge despite the many positive employment and lifestyle opportunities RRR communities can offer.
- Furthermore, increased enrolments of city-based students and overseas students at regional VET and university campuses can deliver a range of benefits, including positive economic flow-on effects to regional areas.

Discussion

Education and training providers in RRR communities contribute to regional development in many ways – employing large numbers of people in the community, upskilling populations and providing community facilities. Moreover, towns with a strong education sector are more likely to be growing. Consultations have highlighted community and industry engagement and strong local leadership as key success factors in developing a strong education presence.

The role played by education institutions varies between locations. This reflects the diversity of RRR communities across Australia, with town size and local demand being major influences. Federation University Australia's (FUA) partnership with IBM at Ballarat is an example of the economic role that a university provider can play in a larger regional centre. The lower business costs, attractive regional lifestyle and transport links to Melbourne helped FUA attract IBM as the anchor tenant at the Ballarat Technology Park. For over two decades, IBM has been delivering ICT services to markets outside Ballarat involving up to 1000 staff.¹ Overall, it has been estimated that in 2015 regional universities contributed \$1.7 billion to real GDP in their regions, through jobs, productivity, spending, and research and innovation.²

Towns that are too small to sustain a university campus have implemented different models. For example, in Cooma, local residents combined with the Snowy Hydro Company to create the Country Universities Centre Snowy Monaro. This centre provides multiple benefits to the small town of Cooma and is currently expanding into other small towns across NSW. This regional hub model was successfully pioneered in Geraldton, Western Australia, and is currently being expanded, with Australian Government support, to a total of 16 hubs and 23 locations across Australia.

Similarly, the VET sector plays an important role in RRR communities. Consultations and submissions highlighted the important role that publicly funded VET providers play in RRR communities facing economic and social challenges, by delivering courses in areas where the economics of providing education and training is marginal but critical to local

¹ Australian Government Department of Industry, Innovation and Science (2016) *How Regional Universities Drive Regional Innovation*, Australian Government, Canberra. p. 21.

² Nous Group (2018) *The economic impact of the Regional Universities Network*. Report commissioned by the Regional University Network (RUN), Canberra. p. 4.

needs. For this reason, stakeholders raised concerns that recent funding changes in some jurisdictions are having a particularly negative impact on provision in rural and remote areas.

The economic and educational needs of RRR communities are diverse. While there has been a growing convergence between industries and occupations in regional and metropolitan areas, including a general expansion in the service industries,³ there continues to be differences in labour market needs. In RRR areas, especially in more remote areas, technical and trades jobs account for a higher proportion of the labour market than in cities, while the reverse is the case for professional and managerial positions.⁴

Attracting students and researchers to RRR areas has the potential to drive growth in high-skilled jobs, reduce the disparity in post-secondary educational attainment and improve opportunities for graduates to work in their chosen field without moving to metropolitan areas.

A range of ideas were canvassed in consultations about how to attract more students, including initiatives to encourage international students to move to RRR areas and students living in metropolitan areas to undertake RRR internships or work placements. In addition, there was some support for the idea of targeting future growth in Commonwealth funded university places exclusively to RRR areas. This could act as a mechanism to attract students and help decentralise the nation's economy, potentially by lifting caps on places just in RRR areas, noting this approach may reduce student choice. It has been estimated that seven in 10 graduates from regional universities go on to work in a regional area, which suggests that expanding student numbers is likely to have a positive impact on attainment rates in RRR areas over the longer term.⁵

There were also suggestions that future investments in research infrastructure could be targeted to RRR areas, to attract staff and students and create commercial opportunities. Many regional and remote universities and VET campuses have unique local attributes and industries, making them ideal for appropriate nation building and internationally significant research initiatives.

Possible further actions

Drawing on the range of suggestions canvassed in consultation and submissions, and its consideration of these issues, the Expert Advisory Group is seeking feedback on the following ideas for further action:

- **Enhance Regional Study Hubs:** As canvassed in Issues Paper 2, monitor the outcomes of the Regional Study Hubs program and consider enhancement strategies including dissemination of best practice and the potential for further expansion of the program.
- **Additional Commonwealth-Supported places for regional university providers:** As canvassed in Issues Paper 2, the Australian Government could consider increasing funding for regionally based universities by targeting future growth in places to non-metropolitan areas, including enabling and sub-bachelor courses.

³ Speech by Philip Lowe, Governor, Reserve Bank of Australia "Regional Variation in a National Economy", 11 April 2018, p. 12.

⁴ Norton, A., Cherastidham, I., Mackey, W. and Lannan, F. (2019) Presentation to the Regional Education Expert Advisory Group. Grattan Institute, Melbourne.

⁵ Nous Group (2018) *The economic impact of the Regional Universities Network*. Report commissioned by the Regional University Network (RUN), Canberra. p. 4.

- **Building research capacity:** Explore opportunities to support regional university providers to improve their research capacity, for example by:
 - Implementing a new grants program to support building research capacity and institutional research infrastructure in regional universities, including networks and partnerships with metropolitan universities, and to help position and encourage them to play a greater role in Australia’s future national research infrastructure system.
 - Undertaking scoping studies for new national research infrastructure (NRI) investments to identify new opportunities for research in RRR areas.

- **Attracting international students:** Drawing on the Council for International Education’s recent work on [*Growing International Education in Regional Australia*](#), consider initiatives to encourage international students to enrol in regional institutions, such as scholarships and more flexible work and migration pathways.

- **Work-integrated learning and internships:** Explore opportunities to encourage uptake and provision of work-integrated learning opportunities, for example by establishing a program which supports VET and university students from metropolitan areas to undertake work-integrated learning placements in regional and remote areas as part of their course, including internships, mentorships, practicums, research, teaching and tutoring placements.

- **VET service provision:** As canvassed in Issues Paper 2, collaborative work by the Commonwealth and state and territory governments to improve access to high quality VET programs in regional and remote areas.