

INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NSW

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Date Received: 12/08/2005

Theme:

Summary

Charles Sturt University

Submission to the

Inquiry into Skills Shortages in rural and regional NSW

Introduction

Charles Sturt University (CSU) is a higher education institution which, under its governing Act, conducts learning, teaching, research and other scholarly activity with *'particular regard to the needs and aspirations of the residents of western and south western New South Wales'*(*Charles Sturt University Act 1989* [NSW]). This requirement is reflected in the University's Strategic Plan 2002-2007 (2003), where the University commits to *'dynamic regional engagement'* in which it seeks to *'make a major contribution to the sustainable economic development of its regions and communities'*, *'contribute to the educational, social and cultural fabric of its communities'* and *'prepare its communities to better participate in a globalised society'*. The University pursues these objectives through its educational and research activities, supported by interaction with regional communities, professional associations, industries, and other local, national and international research and educational bodies. These interactions emphasise sustainability, participation, cooperation and collaboration.

Charles Sturt University's contribution to this inquiry therefore approaches the issue of skills shortages in regional NSW and Australia from a holistic perspective, with an emphasis on the role of higher education in supporting regional development. Approaches to redressing skills shortages in regional areas necessarily revolve around the development of vibrant and sustainable regional communities – ideally through the alignment of policies and actions of Commonwealth, State and Local Government. One outcome from this will be regional communities that possess the social and economic infrastructure to attract and develop the human capital necessary to support economic activities with sufficient efficiency to compete in an increasingly global market. Clearly, the availability of an adequate pool of human capital is both a prerequisite for, and characteristic of, socially and economically sustainable communities.

Accordingly, the submission describes the University's contribution to the sustainable development of regional communities, and identifies impediments to, and limitations on, this contribution. It should be noted at the outset however, that current and emerging skill shortages in regional areas are easily identified and the reasons for these shortages reasonably well understood. It is the implementation of 'solutions' that presents the major challenges, as the solutions are complex (relating to many interdependent factors operating as system); they often relate to intangible concepts (such as 'mechanisms for information transfer', innovation, etc); and any benefits are usually only exhibited in the longer term. In addition, there is every reason to believe that, while solutions require large scale, long term coordinated actions at all political and social levels, the "solution" may often be unique to a particular region.

Regional Characteristics

CSU operates from campuses in Albury-Wodonga, Bathurst, Dubbo and Wagga Wagga. The regions encompassing these cities are characterised by a low proportion of people working in professional occupations, a lower than average proportion of people with a higher education qualification and below average incomes¹. Projections indicate relatively slow population growth for regional NSW, aging population profiles and greater dependency ratios over the next 25 years². However, such generalisations mask significant variability, with stronger growth in larger regional centres such, Albury, Bathurst, Wagga Wagga, Dubbo and Orange offsetting decline in smaller centres and more remote areas. These larger regional centres have the potential (and indeed the responsibility) to become more significant economic entities in their own right, and through that role providing the bridge between metropolitan and regional NSW. Similarly, these centres have an emerging role in providing the connections between regional NSW and the global community and in providing the focal points for the coherent delivery of a range of services to these regions. To this end, the University sees the incorporation of Orange campus into Charles Sturt University as being not only sensible but central to its regional role.

The aging population profile and increasing dependency ratio clearly have implications for both the demand and supply of human capital. On the demand side, it is clear that requirements in relation to providing health and other human services for an aging population will increase. On the supply side it is equally clear that growth in the labour force will slow³, increasing the need for policies both to assist all young people reach their full potential, and to provide for the continued personal and professional development of mature aged people. Charles Sturt University is well positioned to play a significant role in addressing these issues across central, western and south western NSW.

Charles Sturt University's contributions to regional development

Provision of skilled graduates to regional communities through on-campus and distance offerings

Charles Sturt University has, since its inception, worked with the professions and industry to extend its course profile in order to meet the needs of regional communities. Shortfalls of graduates in critical service industries such as nursing, allied health, teaching and policing have resulted in new and revised on-campus and distance education offerings.

On-campus offerings have been directed primarily at providing regional school leavers with a viable choice of higher education options, without the need to move to

¹ Cumpston, Blakers, et al, 2001, *Atlas of Higher Education*, Occasional Paper Series 01/A, Commonwealth of Australia, Canberra.

² Department of Infrastructure, Planning and Natural Resources, 2004, *New South Wales State and Regional Population Projections 2001-2051*, Department of Infrastructure, Planning and Natural Resources, Transport and Population Data Centre, Sydney.

³ Access Economics Pty Ltd, 2001, *Population Ageing and the Economy*, Commonwealth of Australia, Canberra

metropolitan centres. These offerings are particularly effective in meeting regional labour requirements, as shown in the empirical evidence⁴ which supports the University's assertion that students who train in regional areas have greater propensity to take up employment in those same areas. The allied health field is an area in which the University can particularly demonstrate its responsiveness to regional needs, whereby regional labour shortages resulted in the development of a range of courses, including Physiotherapy, Pharmacy, Occupational Therapy, Speech Pathology and Podiatry. The role of these courses is perhaps best exemplified by the outstanding success of the Pharmacy course in providing pharmacists for regional practices, increasing the number of Pharmacy placements in regional areas from 6 in 2001 to above 30 in each of the subsequent years⁵. While the University initially funded the student load in these high cost allied health areas through internal subsidies, recent changes to commonwealth funding have resulted in the University being funded for its actual course and student profile. This changed funding includes allowance for clinical placements for nursing students. However similar clinical requirements for other allied health courses are not funded. This component of allied health courses remains funded through internal subsidy, while in the case of nursing the University has to compete for the limited pool of clinical placements with metropolitan universities. Any actions that either increase the number of clinical placements available to the University or contain the associated costs would be welcomed – and in the case of Nursing would result in more students being enrolled at Charles Sturt University.

The University is confident that its wide range of on-campus offerings provide significant benefits to its regional communities. For example, Charles Sturt University enrolls approximately 50 to 60% of all students from its 'footprint' who choose to study full time, but serves a much higher proportion in fields such as Teaching, Nursing, Business and Information Technology. In addition, approximately 70% of regional students who study on campus at Charles Sturt University take up initial employment in regional areas. This commitment and success has presented organisational challenges, particularly in achieving sufficient focus and economies of scale in its offerings while providing duplicate offerings of courses on multiple and widely dispersed campuses. While the Commonwealth has acknowledged the higher costs of delivery in regional locations through 'regional loading', this loading does not fully cover the related costs.

Charles Sturt has also introduced new and distinctive courses that draw students from further afield, including metropolitan areas, to the benefit of regional communities. Research has shown that approximately 20% of students from metropolitan areas who study on-campus at Charles Sturt University take up their initial employment in a regional area⁶. In this way, the University seeks to maintain a responsive and dynamic course profile that not only caters to and retains regional students who would otherwise move elsewhere but increases the capacity of the region to attract skilled graduates from metropolitan areas.

⁴ Western Research Institute, 2004, *The destination of on-campus graduates of Charles Sturt University*, Prepared for CSU Office of Planning and Audit, viewed 10 August 2005, <<http://www.csu.edu.au/division/plandev/publications/graduate%20destinations%20report.pdf>>

⁵ Figures supplied by the Registrar of the Pharmacy Board of New South Wales, July 2003.

⁶ Western Research Institute, 2005, *Economic Impact of Charles Sturt University*, Prepared for CSU Office of Planning and Audit, Western Research Institute, Bathurst NSW.

The ‘train in the region work in the region’ reasoning was also instrumental in CSU gaining support to establish the first non metropolitan based Veterinary Science course in Australia, offering regional areas good prospects of securing the professionals necessary to protect Australia’s commercial herds in the future. Such offerings, by their very nature, have high upfront costs and are extremely expensive to operate on an ongoing basis. Notwithstanding these challenges, the University will continue to develop its profile to meet regional needs, and looks for material support from Commonwealth and State Governments. In this regard, initiatives to enhance the supply of doctors and dentists to regional NSW would appear to be an area that needs attention in the medium to long term.

The University’s distance education offerings complement the role played by on-campus courses in meeting regional needs. The distance education offerings allow mature age learners to continue their personal and professional development while remaining in their local communities. Students studying in this mode are retained in their current employment arrangements while upgrading their skills.

Statistics provided by the Department of Education Science and Training indicate that CSU is now taking a central and increasing critical role in providing access to higher education for regional people. For example, in north western New South Wales Charles Sturt University has in the period 1993 to 2003 increased its share of higher education students from 28% to 51% and has been the primary reason for maintaining higher education participation rates in the area.

Supporting innovation and technological change

Charles Sturt University is committed to the conduct of research and other scholarly activity in support of the innovation and technological change necessary for regional development. Its research efforts span plant and animal production, environmental sustainability, business analysis and the development of the professions – each closely related to pressing regional issues. The University is increasingly recognising the need for collaboration with other organisations to form the networks and connections to bring about the information transfer associated with the creation and application of the new knowledge that drives technological change. To this end, the University has sought to form closer linkages with state and commonwealth based research bodies such as the CSIRO and the NSW Department of Primary Industries. These linkages have the potential to deliver significant and long term benefits. The University would welcome State Government support for these linkages, including support for co-location of infrastructure where this is possible. The University sees similar benefits from linkages with the training and education functions of state based services, for example the NSW Ambulance Service and seeks governmental support for these.

Connectivity to the global community is essential for effective research (and teaching) and as such Charles Sturt University views the connection of all of its campuses to the AREN network as being crucial to its research and teaching roles.

Contributing to Regional Economies

Charles Sturt University aims to enrich its campus cities by its presence and through the economic gains from the ‘export’ of educational services throughout Australia.

The University's direct economic impact on the economies of Albury, Bathurst, Dubbo, Goulburn, Wagga Wagga and surrounding centres is readily apparent. Its 1,470 permanent staff and their families represent a very large and stable resource that underpins regional economies. Research by the Western Region Institute shows that the University generates \$264m in Gross Regional Product annually, \$164m in annual household income and over 3100 equivalent full time jobs⁷. To put this in perspective, the University's operations account for approximately 12% of employment in Bathurst, 9% of employment in Wagga Wagga and 3% of employment in Albury Wodonga.

Charles Sturt University is not only critical to the economic well being its campus cities, but contributes to the social and cultural fabric of these communities. This 'social infrastructure' underpins the decisions of individuals and families as to whether they would live and work in a particular location and therefore the labour pool. There is ample evidence that the diversity of lifestyle and the enhanced recreational opportunities associated with a university campus contribute to the 'quality of life' important to attracting and retaining the skilled workers.

Given the role of Universities as key economic drivers of regional economies, the University believes the State government should give consideration to the roll back of payroll tax for regionally based universities.

Building regional capacity for economic development

Charles Sturt University is committed to addressing economic and social issues that limit the capacity of individuals in regional communities to contribute to economic development.

The University has also sought to increase educational aspirations and articulation into higher education for regional communities through collaboration with other educational providers. At the broadest level, the University's curriculum development allows approximately 14% of undergraduate students to be admitted on the basis of TAFE qualifications. This articulation is extended in specific areas by the offering of joint programs with TAFE institutes, leading to degree level qualifications in Business, Information Technology and most recently in Social Work. The University is also in the process of forming the Murray-Darling Education Consortium, a set of collaborative partnerships between agencies committed to the development of education to meet the particular needs of individuals, groups and communities in the Murray-Darling Basin.

In addition, the University affiliated Western Research Institute conducts applied economic modelling for industry and government bodies on public policy issues and is impacting on Government regional policy. The Western Research Institute conducts a survey of businesses across regional New South Wales in which it identifies businesses experiencing skills shortages, the impact on business and actions to redress the situation. Complementary social research is conducted by other

⁷ Western Research Institute, 2005, *Economic Impact of Charles Sturt University*, Prepared for CSU Office of Planning and Audit, Western Research Institute, Bathurst NSW.

University bodies, for example, the Centre for Rural Social Research within the Institute for Land, Water and Society

Conclusion

Charles Sturt University, by virtue of its own governing legislation, is a key stakeholder in addressing skills shortages in rural and regional NSW, but approaches the issue within the broader context of regional development and sustainability. Strategies whereby the University contributes to regional development are incorporated in the CSU Strategic Plan, are implemented in a considered way and align well with strategies identified by recent research. The University believes that in implementing the relevant elements of its Strategic Plan it is making a valuable contribution to the development of regional NSW, notwithstanding the long term challenges. There is significant scope for Commonwealth, State and Local Governments to support the University meaningful ways.

Charles Sturt University would welcome the opportunity to provide additional information in relation to this submission if desired and would be willing host a meeting of the Standing Committee on one of its campuses if requested.