



Charles Sturt
University

NSW LEGISLATIVE COUNCIL PORTFOLIO
COMMITTEE NO. 3 - EDUCATION

Inquiry into the future
development of the NSW tertiary
education sector

3 August 2020

Office of the Vice-Chancellor
Charles Sturt University



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The Hon. Mark Latham, MLC
Chair, Portfolio Committee No. 3 – Education
NSW Legislative Council
Parliament House, Macquarie Street
Sydney NSW 2000

Dear Chair

Thank you for this opportunity to provide a submission on behalf of Charles Sturt University to the New South Wales Legislative Council Portfolio Committee No. 3 inquiry into the future development of the state's tertiary education sector.

Charles Sturt University is Australia's largest regional university, with more than 43,000 students and approximately 2,000 full time equivalent staff. We are a unique multi-campus institution with campuses in some of New South Wales' fastest-growing and most vibrant regional communities: in Albury-Wodonga, Bathurst, Dubbo, Goulburn, Orange, Port Macquarie and Wagga Wagga. We also have smaller campuses and study centres located in Canberra, Manly, and other areas throughout regional and rural south-eastern Australia.

Charles Sturt is committed to the inclusive, sustainable and prosperous development of rural, regional and remote Australia. This commitment is informed by the partnerships we have formed with each campus's local communities, neighbouring industry, and with the broader regions we serve – partnerships that have been essential in helping them, and the University, cope with, and adapt to, the challenges of drought, bushfires and the COVID-19 pandemic.

It is clear that the New South Wales universities will have a vital role in helping the state – and especially regional communities – recover from these challenges. The magnitude of the challenges and some uncertainties about the future economic and policy landscape mean that universities, too, will have to adapt to very different circumstances, and the relationship between them, their communities, and the State Government must evolve accordingly. With that in mind Charles Sturt University welcomes the Committee's inquiry into the future of tertiary education in New South Wales.

The attached submission addresses the inquiry's terms of reference with examples from Charles Sturt's teaching and research, community and industry engagement, and policy and governance arrangements. As always I would be pleased to provide further information to the Committee on any of the examples mentioned in this submission, and I look forward to the inquiry's final report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Germov'.

Professor John Germov
Acting Vice-Chancellor

Charles Sturt University submission to the New South Wales Legislative Council Portfolio Committee No. 3 inquiry into the future development of the state's tertiary education sector.

a) Tertiary education's economic development role, especially university campuses and Country University Centres (CUCs) in regional NSW

Charles Sturt University, the University is a unique multi-campus institution with campuses at Albury-Wodonga, Bathurst, Canberra, Dubbo, Goulburn, Manly, Orange, Parramatta, Port Macquarie and Wagga Wagga. Charles Sturt is Australia's largest university based in regional areas, with more than 45,000 students and approximately 2,400 FTE staff.

Almost 40 per cent of our students come from regional and remote areas. A slightly lower proportion are from metropolitan areas, with the balance made up of international students. More than half our students are female, and 17 per cent of all students come from a low SES background.

Charles Sturt is also one of Australia's largest and most experienced providers of on-line higher education, with 58 per cent of our students studying online.

2.6 per cent of our students are Indigenous – one of the highest proportions of Indigenous students in Australia, and we graduate more Indigenous students than any other Australian university.

In 2018 we produced more than 9,500 graduates across a range of fields.

Charles Sturt University is consistently ranked as the institution with the highest graduate employment rate in Australia with 84 per cent of graduates fully employed within four months of graduation, compared to the national average of 69.5 per cent. Around 80 per cent of students from regional and remote areas who study on campus go on to be employed in regional Australia. Around 75 per cent of online regional/remote students do the same. The University therefore has a vital role in meeting workforce gaps in regional areas.

In 2018, we were the best in the country for full-time employment in Communications, Computing and information systems, Agriculture and environmental studies, Law and paralegal studies, and Psychology. Our Pharmacy graduates have a 100 per cent full time employment rate, and our Dentistry graduates have a 93 per cent full time employment rate. Our graduates earn the highest starting salary in NSW (\$62,000).

In 2018-19 we were rated five stars for full time employment, median salary, learner engagement and, significantly, first-in-family students, by the *Good Universities Guide*.

The University is able to achieve these outcomes because of a strong focus on teaching quality, and close relationships with local communities, neighbouring industry, and with the broader regions we serve. Many of our courses involve work integrated learning involving regional employers, and regular meetings with regional stakeholders mean that we are attuned to, and can respond to, regional needs.

Country University Centres (CUCs) are an example of this kind of partnership. Charles Sturt has 98 students pursuing their studies through the Clarence Valley, Far West, Goulburn, North West, Snowy Monaro and Western Riverina CUCs, with the highest number (26) at Western Riverina. These students are undertaking courses in Accounting and Finance; Agriculture and Rural Sciences; Arts; Business and Management; Education; Health; Law and Criminology Maths, Computing and IT; Psychology, Social Work and Community Services; and Science, with the highest number of students in Health (28), which includes Nursing.

The aim of collaborating with the CUC is that our students receive the support they need to continue the course. Through this arrangement, the University receives additional Commonwealth Supported Places, which we share with the CUC. There is clear benefit to the community in the arrangement as students stay in the area and often go on to work locally, helping to reduce the persistent shortage of health care workers in regional areas. Charles Sturt is hoping to expand its partnership with CUCs in future.

In addition to meeting the education and training needs to rural, regional and remote populations, Charles Sturt University has an important economic, social and cultural role across New South Wales. We are an anchor institution in some of the state's largest and fastest-growing regional towns. The University is a major employer in regional areas, and as a host to sporting, creative arts and community events we are well-embedded in the broader life of the regions.

In 2018 the University commissioned the Bathurst-based Western Research Institute to undertake an analysis of our economic impact in the regions we serve. The direct economic effects of Charles Sturt and the flow-on effects on upstream industries were measured in terms of Gross Regional Product (GRP), household income, and full-time equivalent employment.

In the region around Bathurst and Orange, Charles Sturt University directly and indirectly contributed more than \$210 million to GRP, as well as almost 2,000 jobs and more than \$150 million in household income.

In the southern regions – Goulburn, Wagga Wagga and Albury – the University directly and indirectly contributed almost \$390 million to GRP, as well as more than 3,300 jobs and more than \$270 million in household income.

Our newest campus at Port Macquarie contributes almost \$18 million to GRP, as well as more than 100 jobs and more than \$8 million to regional household income.

b) The mission of NSW universities with a particular focus on the role of universities to serve specific geographic communities

Charles Sturt University is focused on meeting the higher education and research needs of regional communities. We engage with those communities through advisory committees, engagement and outreach activities, and through our network of alumni. In recent months the University has also been an active contributor to, and in some cases led, the regional recovery taskforces focused on managing the impact of a prolonged drought, the summer's bushfires and the COVID-19 pandemic.

Like other universities in New South Wales, Charles Sturt is facing a complex financial environment as a consequence not just of natural disasters, but also a changing and competitive market in higher education, changing professions and student demands, regulatory requirements, and the need to ensure our ongoing sustainability. We are also facing significant reform to the higher education sector as a whole, in the form of the Australian Government's Job Ready Graduates proposals and a new framework for funding university research, the details of which have yet to be announced.

In May, following an extensive consultation process, the University launched 'Sustainable Futures', a transformation program designed to reshape and reposition the University so we can continue to deliver excellence in teaching, research, and community and industry engagement.

It is a program that will build on our strengths and ensure our future is financially and academically sustainable. We will achieve this goal through changes to our operating model across our courses and campuses, diversifying our sources of revenue and further cost savings, while remaining focused on our core mission.

These goals could be supported by the NSW Government by:

- encouraging co-location of higher education and training providers in specific regions;
- reducing overlap or redundancy in course offerings by providers operating in the same region;
- ensuring the academic and research benefits are transparent and aligned to the community and workforce needs, drawing on existing models in NSW universities;
- building on current capabilities in online provision as this broadens access to quality higher education;
- improving access for students in remote areas through virtual campuses, with 'hubs' for face-to-face support;
- facilitating the formation of advisory boards in regional areas, which would serve as a conduit for Industry engagement with courses, curriculum development and so on;
- making effective use of university facilities for teaching, training and co-working – for example in professional development for NSW Health workers, teachers and regionally-based public services; and
- involving universities in regional development decision making.

c) The post-pandemic return of foreign student numbers and the financial sustainability and risk management strategies of NSW tertiary education institutions

Charles Sturt University is less exposed to the international student market than other NSW universities. International students make up just over 20 per cent of enrolments, with the highest proportion coming from southern Asia, primarily India.

As a result of efforts to diversify our sources of international students the University has, in recent years, seen growth in enrolments from Central and West Africa, Central Asia, and the Pacific –these students represent a very small fraction of our total student cohort (less than 1 per cent).

Prolonged border closures will have an impact on the University's revenues, but, as noted above, the COVID-19 pandemic is only the latest in a series of challenges affecting regional NSW and Charles Sturt. In response we have launched the Sustainable Futures program, with the primary goal of ensuring the University's financial and academic sustainability. The Australian Government's proposed changes to higher education funding, set out in the 'Job Ready Graduates' announcement in June, will provide useful support for the transformation process, not least because the reform package's focus on graduate employability is well-aligned to Charles Sturt's operating model.

d) The quality of university teaching and research, including the extent and impact of insecure employment in the sector

Charles Sturt University is fully compliant with Tertiary Education and Standards Agency (TEQSA) requirements. Independent assessments of our teaching and research show both to be high quality across many fields. Student satisfaction and other surveys indicate that our teaching quality has improved even as use of sessional staff has increased. This is in part due to the University providing professional support to all academic staff to promote quality teaching – though our capacity to provide that support is under pressure from tightening budgets.

Ultimately, however, the best testament to the quality of the education provided by the University are the graduate outcomes noted above.

e) Levels of integration of the tertiary education sector with industry

Charles Sturt University offers a range of courses, including nursing, midwifery and paramedicine, developed in consultation with industry and other employers. Many include work integrated learning as an essential part of the curriculum, and in this respect we are well ahead of many other universities in the country.

The University's new, innovative and world-leading engineering degree is a good example. The program was developed in response to community and industry needs, and it has been implemented in partnership with employers across regional NSW and beyond.

Engineering at Charles Sturt involves three semesters of on-campus, problem based learning followed by four years of hands-on work with employers via paid cadetships. Participants work four days per week and continue their study on-line. This approach appeals to students, many of whom choose the Charles Sturt engineering program because of the workplace elements and because it means they start earning sooner. It also meets the immediate needs of employers. Around a third of the 40 cadets currently participating in the program are in positions that would be vacant but for the Charles Sturt engineering program, and some are in positions that were intended for graduate engineers.

The University's innovative approach led MIT to include Charles Sturt as one of the four 'emerging leader' case studies in a 2018 report, *The Global State of the Art in Engineering Education*.

Continued success in industry engagement could be facilitated by NSW Government support through the creation of external advisory boards in each of the state's regions. As well as acting as a conduit for industry engagement with courses, curriculum development, teaching and so on, as suggested above, the boards could foster true co-creation of industry relevant programs and genuine industry partnerships.

f) The quality of campus life and student freedom of expression

Charles Sturt University campuses are active centres for social, cultural and community activities in regional areas, as well as the provision of teaching and research; the quality of campus life at the University is second to none, and is an important 'pull factor' in attracting both students and staff to the University.

Student, and staff, are involved in the governance of the University through their membership of the University Council, and the Academic Senate.

The University's Code of Conduct and other policies uphold a general right to freedom of inquiry and expression, and have been strengthened through the alignment of University policies with the *Model Code for the Protection of Freedom of Speech and Academic Freedom in Australian Higher Education Providers*.

g) Foreign political interference within the NSW tertiary education sector

Charles Sturt's activities comply with all relevant standards, legislation, regulations and funding requirements, in this case including but not limited to the *Foreign Influence Transparency Scheme Act 2018*.

University policies for research, for example, require that special consideration is taken before when considering agreements or arrangements that are not aligned to the University's values, restrict the freedom of speech or academic freedoms of University staff or students, or expose the University to the risk of foreign interference.

h) The current levels of coordination and/or support provided to NSW universities by the NSW Government

Charles Sturt University has a history of effective and fruitful engagement with the NSW Government. For example, the University's newest campus, at Port Macquarie, has already been very successful at satisfying unmet demand for higher education in the Mid North Coast Region, and in keeping students in the region. The development of the campus would not have been possible without the support of the NSW Government and in particular the local member, the Hon Leslie Williams.

More recently, the NSW Government's swift response to the economic challenges of the COVID-19 pandemic has been as beneficial to the state's universities as it has for other industries and employers, particularly with regard to the support for research, innovation, and international students.

The University is engaging with the NSW Government on the development and implementation of the new Higher Education Strategy and will continue to play a core role in economic recovery across regional NSW.

i) The recent experience with online learning and lessons for the further development of alternative models of tertiary education service delivery

As noted above, Charles Sturt University is Australia's largest and most experienced provider of online higher education. As a result of this experience we were able to pivot quickly and effectively for online provision of all courses during the early stages of the COVID-19 pandemic, as well as moving to work-from-home arrangements for all but essential staff (and some researchers).

We also responded quickly to the Australian Government's call for short courses to support up-skilling by those whose jobs were affected by the pandemic. At present the University has 14 short courses listed on the Government's Course Seeker web site, in addition to a well-established range of Associate Degrees, Graduate Certificates and Graduate Diplomas.

This experience means the University would be an ideal partner for NSW Government re-training and re-skilling programs across the state, or for professional development programs for public sector employees.

While we were able to draw on and build on our experience in transitioning to all-online provision, and plan to expand our online provision in future, the past few months have confirmed that:

- some students are committed to, or strongly prefer, face-to-face learning,
- there are some aspects of learning that cannot be delivered online – especially, for example, in courses with a clinical or hands-on element,
- moving from on-campus to online provision requires careful re-thinking of curriculum design, and
- while online provision broadens access to higher education, poor internet connectivity in regional and remote parts of the state remains a significant barrier to participation.

j) The appropriateness of current NSW legislation regulating, overseeing and enabling tertiary education

Tertiary education in Australia and in New South Wales is going through a period of significant change, and it is essential that the regulatory and legislative framework around tertiary education is updated to reflect a new environment.

For Charles Sturt, this means, at the state level, revision of the *Charles Sturt University Act* and *Charles Sturt University By-law*.

The University suggests that there would be significant value in creating a mechanism through which the Act and the By-Law can be reviewed periodically, with a particular focus on identifying and bridging, in both, and provisions or requirements that impede our ability to maintain a 'best practice' governance approach.

As a first step, the Act and any associated legislation will need to be amended to accommodate the emerging financial reality for NSW Universities, not least because the changed circumstances are likely to last for some years. This could, for example, mean removing any obligation to maintain a certain number of campuses, or to have them in particular locations – requirements that can limit universities' capacity to respond to financial changes, demographic changes, shifts in demand or other circumstances. Without a more flexible approach there is a risk for some universities that they could be left with a choice between breaching their legislated obligations or taking on an unacceptable financial risk.

Similar flexibility is required in relation to governance requirements. While the current version of the *Charles Sturt University Act* is generally consistent with the *Universities Governing Bodies Act 2011*, the University would welcome an amendment that ensures the validity of Council decisions if there are insufficient elected members, an appointment is defective, or the composition of Council does not otherwise meet the statutory requirements. Section 14 of the *University of Adelaide Act 1971 (SA)* offers a good model for this kind of provision.

Charles Sturt also suggest that the Act needs to include a provision allowing Council to make reasonable rules with respect to the qualifications/eligibility of candidates who seek to be elected to Council. At present such authority is expressly excluded from Council's powers under s8E(3)(a) of our Act, even though TEQSA requires all members of the governing body of a higher education provider to meet TEQSA's fit and proper person requirements.

At the very least Council should have power to make rules specifying that nominees for elected office must reasonably satisfy the University that they will meet any regulatory requirements for such office-holders, but Council should also be permitted to set other reasonable conditions determining eligibility to nominate for elected office (for example, the University should be able to refuse a nomination from any students or staff who have been found to have committed misconduct under University rules).

Finally, it is sometimes unclear whether certain laws or requirements apply to the University, as a statutory corporation, due to ambiguities in State and Commonwealth statutes, regulations and guidelines. The University's practice in these cases has been to assume that the laws or requirements do apply, and this may be imposing an unnecessary legal and financial burden on the University. For example, it is unclear whether new Commonwealth whistleblowing laws under Part 9.4AAA of the *Corporations Act* – which apply to section 51(xx) trading corporations – were intended to capture NSW government entities that may be trading corporations, including universities like Charles Sturt. The position regarding 'trading corporations' remains largely unsettled. The NSW Government could assist with this issue by amending the relevant State Acts and by consultation with the Commonwealth.