Submission to the Parliament of Victoria's Rural and Regional Committee's Inquiry into the opportunities for increasing exports of goods and services from regional Victoria

In 2013 as the University of Ballarat, Federation University Australia earned $67.2M by exporting educational services. It is from within this context that Federation University Australia makes the following submission to the Rural and Regional Committee's Inquiry into opportunities for increasing exports of goods and services from regional Victoria.

Federation University Australia

Federation University Australia was created on 1 January 2014. The University was formed through an amalgamation of the University of Ballarat and the Monash University Gippsland Campus as mandated by the University of Ballarat Amendment (Federation University Australia) Act 2013.

Federation University Australia is Australia's only regionally-headquartered, regionally-located and regionally-focused multi-sector university. It is the only university in regional Australia spanning the full range of the Australian Qualifications Framework from senior secondary VCAL to Vocational Education and Training (VET) certificate and diploma programs to Higher Education (HE) graduate and postgraduate studies. Its Technology Park at Mt Helen, Ballarat, is Australia's leading regional ICT hub. It is the only tertiary education provider in Victoria to be awarded the highest-rating five gold stars for teaching quality by the Good Universities Guide for the past five years (2009; 2010; 2011; 2012; 2013). In 2013 it was the only University in Victoria from which 80% of its graduates found employment within three months of qualification.

In 2013 the University of Ballarat had 18,800 students (Figure 1). Some 54% were enrolled in HE programs, and 48% in VET programs. International students comprised 23% of the student body. Of this number, 80% were taught on-shore and 17% off-shore (Figure 2). International students comprised 43% of the University's total HE enrolment. In 2014 it is anticipated that the Churchill Campus in Gippsland will add a further 2,700 domestic HE students and 100 international students bringing the total student body of Federation University Australia to approximately 21,640 students.
Figure 1  Higher Education, TAFE and International Student Enrolments, University of Ballarat, 2007-13 (Source: University of Ballarat, Pocket Statistics, 2007-12; Federation University Australia internal data, 2014).
Federation University Australia is regional in focus, national in scope and international in reach. University programs are delivered —

- regionally through campuses in Ballarat (Mt. Helen; School of Mines and Industries Ballarat; Camp Street Arts Academy), Ararat, Stawell, Horsham and Churchill;
- cross-regionally in Victoria through seven TAFE Institutes known as the Victorian Regional Dual-Sector Partnership;
- nationally through accredited partner providers located in Melbourne, Geelong, Sydney and Adelaide; and
- internationally through accredited partner providers in China Hong Kong, Malaysia, Singapore, Sri Lanka, Vietnam, Mongolia, Austria and France, with programs currently in development for India, Korea and Greece.

Federation University Australia teaches on-shore and off-shore international students from some 40 countries including China, Malaysia, Singapore, Sri Lanka, Pakistan, Vietnam and India. This is a component of the University's wider commitment to internationalisation, the purpose of which is to integrate international, intercultural or a global dimension into all activities of the University. Expressed as a formal University policy (Policy Code LT1460), internationalisation serves as a guiding principle for all teaching, learning, student support, research and commercial endeavours, including the export of educational services, of Federation University Australia.
Identification and volume of exports to overseas markets originating in regional Victoria from Federation University Australia

Export of educational services
Federation University Australia exports educational services from regional Victoria.

Within the Australian post-secondary education sector, the export of educational services is defined largely in terms of attracting international students to Australia. International students come to Australia, study, qualify and return to their countries of origin. This results in participating Australian education providers earning revenue from fee-paying students, and in local economies benefitting from the income international on-shore students expend in support of their studies while in Australia (accommodation, food, transport, utilities, resources, entertainment).

Federation University Australia is distinctive in not only teaching international students on-shore, but also in exporting educational programs, skills training, research, and intellectual property, and in facilitating private sector commercial exchanges, to off-shore markets and locations.

Federation University Australia’s export activities therefore comprise —

1. Off-shore educational programs. In 2013 the University of Ballarat, exported degree and post-graduate degree programs to 1,154 students located in partner universities and colleges in China, Malaysia, Sri Lanka, Vietnam and Singapore. The most popular programs taught to off-shore international students were —
   - Bachelor of Commerce;
   - Bachelor of Information Technology;
   - Master of Commerce (Professional Accounting);
   - Bachelor of Nursing (Post Registration);
   - Bachelor of Business;
   - Advanced Diploma of Business; and
   - Master of Professional Accounting.
   These programs are full-fee paying and are delivered by accredited partner providers of the University.

2. Off-shore corporate and skills training. In addition to accredited degree programs taught at international locations, the University conducts short courses, training instruction, and corporate and government skills development programs in a variety of locations. In Malaysia, for example, the University has a government contract with the Department of Skills Development to assess and recognise prior training.
3. **On-shore educational programs taught to international and domestic students.** Federation University Australia attracts international students to its campuses in Churchill, Ballarat and Horsham, and to partner provider college locations in Melbourne, Geelong, Sydney and Adelaide. It also teaches a suite of programs though members of the Victorian Regional Dual-Sector Partnership.

In 2013 the University taught 5,598 HE students on-shore including 682 on-campus at Mt Helen, Ballarat and 195 domestic students taught through partner providers. As a result in 2013, 51% of the University's HE students "earned" export income. This is the conventional model of educational services "exported" to international students, or exported off-campus (intra-Victoria; interstate) to domestic students unable to attend the University's campuses.

4. **Off-shore research activities.** Researchers across the Federation University Australia campus network visit, collaborate, share and exchange information, data and ideas with numerous colleagues and institutions overseas. In 2014, for example, University researchers are currently undertaking funded research with international partners in such countries as China, the Czech Republic, India, Spain, Japan, the United States and Singapore. Illustrative examples of the nature of such collaborations is cited in Table 1. The University regularly hosts visits from visiting international government and peak body representatives, and academics. Such exchanges attract funding for overseas organisations (Table 1) and have commercial consequences. They also reinforce the University's international connections and provide potential for later and stronger linkages between regional Victoria and diverse international governments, agencies, organisations and locations.

5. **Federation University Australia Technology Park.** The University hosts 30 tenants on its Ballarat Technology Park located adjacent to the Mt Helen Campus. They include IBM, ID Research, Emergency Services Telecommunications Authority, the Victorian State Revenue Office, Primary Health Care Limited, together with other technology-based enterprises located in the Park's Greenhill Enterprise Centre and Global Innovation Centre. Many enjoy international connections and serve international clients. While the financial details of such private commercial arrangements fall outside the University's purview, they constitute another source of service exports relevant to the Committee's Terms of Reference that is regionally located but international in export coverage. The University directs the Committee to the Ballarat Technology Park website for further information and listings of tenants (http://federation.edu.au/industry-and-community/partnerships/technology-park).
Table 1 Examples of research as an "educational export", Federation University Australia, 2014

### Information Technology

Information Technology researchers from Federation University Australia's Centre for Informatics and Applied Optimization (CIAO) and Centre for Multimedia Computing, Communications and Applications Research have ongoing research and publication collaborations with leading researchers in Europe, China, Japan, North America, South America, and the Middle East. The two centres have earned substantial overseas research funding in recent years through the US Air Force Awards scheme, the Australia-India Strategic Research Fund and the Chinese Government’s 111 program, and have pending applications through the AISRF and the US National Institute of Health. CIAO hosted 18 visitors during 2013 for collaborative research from 10 different countries. In addition CIAO organises the biennial Australia-China Workshop on Optimization.

### Environmental Management

The University's Centre for Environmental Management (CEM) plays a significant role in international research in environmental management and climate change, with representation on the Scientific Steering Committee of the International Geosphere Biosphere Program project PAGES (Past Global Changes). In 2013 CEM hosted the Ramsar Convention Workshop which brought eminent paleoecology researchers from overseas to Queenscliff, and also led to the formation of the Australia-China Wetland Network Research Partnership. CEM researchers maintain ongoing research collaborations with researchers from many nations including France, the UK, Japan and China.

### Sports Injury and Prevention

Federation University Australia's Australian Centre for Research into Injury in Sport and its Prevention (ACRISP) conducts research across a range of sports injury and sports injury prevention projects. The aim of the research is to ensure sport and physical activity is safe, with a minimal risk of injury. The ACRISP structure enables new and ongoing collaborative opportunities with local, national, and international research partners. ACRISP has been recognised as Australia's premier sports injury prevention research centre, being only one of four such centres worldwide to be selected by the International Olympic Committee (IOC) as a member of the IOC Medical Research Network.
Value of educational services exports
The University advises the Committee that the recency of the University of Ballarat's merger with the Monash University Gippsland Campus precludes any assessment of the Churchill Campus’ contributions to Victorian regional exports. The commentary below is therefore restricted to University of Ballarat activities in 2013.

As noted above, 51 per cent (6,752) of the University's HE students earned "export income". Several TAFE business programs also contributed to the University's overall export earnings. In 2013, educational services exported by the University of Ballarat earned $67.2M (Table 2).

Table 2 Educational services exports, gross revenue, University of Ballarat 2013

<table>
<thead>
<tr>
<th>EDUCATIONAL EXPORTS</th>
<th>GROSS REVENUE ($M)</th>
</tr>
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<tbody>
<tr>
<td>International off-shore programs (HE)</td>
<td>2.1</td>
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<tr>
<td>International on-shore programs (HE)</td>
<td>53.7</td>
</tr>
<tr>
<td>International students at UB campuses (HE)</td>
<td>6.7</td>
</tr>
<tr>
<td>International TAFE activities</td>
<td>3.2</td>
</tr>
<tr>
<td>Victorian Regional Dual-Sector Partnership (on-shore HE)</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>TOTAL EXPORT INCOME</strong></td>
<td><strong>67.2</strong></td>
</tr>
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The University emphasises that this summary does not include “research export earnings” that are difficult to value, nor commercial-in-confidence export earnings generated by Ballarat Technology Park tenants. The data in Table 1 therefore understate the total regional export earnings generated by Federation University Australia and affiliate activities.

The University observes that the export of education in a variety of forms and models is indicative of the move in Australia from a product and/or manufacturing base to a services orientation. This is particularly the case with universities in general and, at the local level, in Churchill, Horsham or Ballarat in particular. It also means that local students and teachers have the benefit of being part of an internationalised educational experience, mixing with students from all over the world. It might be suggested that this is a component of the University's regional export program from which all Victorians receive a benefit.

Finally, the University advises the Committee that Federation University Australia operates in a regional setting characterised by low aspiration, participation and attainment rates, by high deferment rates, and by an above-average proportion of
students from low socio-economic status (SES) backgrounds. The University's domestic student profile reflects these characteristics —

- three out of every four domestic HE students come from regional and remote backgrounds;
- the majority are the first in their family to undertake HE studies;
- nine out of ten HE students are studying via Commonwealth Supported Places; and
- more than one-fifth of students come from low SES backgrounds.

Knowledge of how best to assist Victorian regional domestic students directly informs the University's conduct as an international exporter. Experience of what is required to assist regional students from backgrounds unfamiliar with tertiary education opportunities has enabled the University to put in place numerous support mechanisms, infrastructure and "safety nets" to assist international students both overseas and in Australia who are similarly confronted by challenging and unfamiliar circumstances.

**Victorian competitive advantages in meeting the demands of world markets**

A University-centric interpretation of regional Victorian competitive advantage suggests that the University itself provides a competitive edge from which other Victorian regional exporters could benefit via partnership arrangements. Viewed from this perspective, and from the more specialised vantage point of the export of educational services, regional Victoria therefore offers —

- **opportunities for export agility and versatility.** Victoria is the only Australian state in which a dual-sector university is located in a non-metropolitan setting. The integration of HE and VET, linked by accessible pathways and conferring employable qualifications, represents a fundamental advantage not available to stand-alone universities and TAFEs, or to other Australian regions. The University can respond quickly to often rapidly changing international, national and regional circumstances. The educational and economic advantages of such agility are now becoming apparent to other Australian universities and TAFEs with several now seeking to become dual-sector. Governments are also actively and financially encouraging partnerships between universities and TAFE Institutes.

- **international knowledge and connectivity.** Regional Victoria is connected internationally via the auspices of the University and its Ballarat Technology Park, and through the educational and commercial networks laid by the University over some 14 years of export activity. The University is therefore a regional resource capable of offering commercial advice and assistance to other actual or prospective Victorian regional exporters.
• **educational quality and credibility.** Victorian and Australian tertiary providers are highly regarded overseas. This reputation stems from a now-long history of teaching and learning quality, the application of known-standards that protect the education sector’s reputation, the availability of extensive support mechanisms for international students developed by universities, and in the case of Victoria, a reputation for a supportive, peaceful environment within which international students can study. More particularly, high-quality teaching and graduate employability have become associated with Federation University Australia and its regional Victorian location.

• **cultural environment.** Regional Victoria offers a stable, predictable, safe, accessible and high quality environment within which on-shore international students can be welcomed, supported and engaged in their studies.

• **known export product quality.** The quality of teaching, learning, research and commercial programs provides regional Victoria with a competitive advantage when sold overseas, particularly compared with other international competitors. Federation University Australia’s quality management, based on close supervision of partner providers, close moderation of teaching and learning results, and extensive practical experience, ensures quality outcomes.

Regional Victoria therefore provides a competitive advantage in terms of educational service exports though the quality of its vocational and HE products, the nature of its location, its cultural background, and its reputation for welcoming international students in a safe, secure and supportive environment.

**Approaches to exporting and lessons to be shared from Federation University Australia**

As the University of Ballarat, Federation University Australia has been exporting educational services since 2000. Over this time the University has developed a successful and sustainable delivery model. This comprises —

1. **International operating experience.** The University employs a partner provider model in which it uses international and domestic partner providers to deliver Federation University Australia HE and TAFE programs. The University emphasises that this is not a franchise model. Partners use their own teachers, teaching resources, recruitment, administration, and physical and virtual infrastructure. The University provides governance, curriculum, and quality assurance to ensure consistency and legitimacy of academic standards and outcomes, application of professional operating practices, and minimisation of financial risk. Federation University Australia does not invest in infrastructure in overseas locations. The partner provider model is financially structured so that 75% of revenue is returned to the University’s partner provider and 25% is retained by the University. A key feature of this model is that it limits the University's exposure to the vagaries of the international market.
2. **Sustained scholarship.** The University has developed, in collaboration with its partner providers, a 10-point plan to ensure a culture of sustained scholarship. Implemented in 2010 this strategy specifies expected conduct, techniques and outcomes of all partner providers thereby ensuring quality of exported services and programs.

3. **Quality control.** The University "moderates" the quality of teaching, adherence to curriculum, student learning outcomes, student support, infrastructure quality, IT arrangements and whatever else is necessary to ensure that the program being exported and the qualification being earned is identical to that being taught at the University's Victorian campuses. Moderation applies equally to on-shore and off-shore partner providers and includes extensive documentation, communication, on-line tracking of outcomes, and adoption of guidelines to which partner providers must adhere.

4. **Delivery consistency.** In 2011 the University created a Centre for University Partnerships to manage all on-shore and off-shore relationships including DIIAC VISA requirements. The Centre provides "a unified and consistent approach to managing key alliances with the University's partners" (*UB Blueprint*, 2010, 22);

5. **Communication.** The University has numerous strategies to ensure that on-shore and off-shore students and partners understand the nature of the programs being offered, financial expectations, government regulations, cultural characteristics, safety-net arrangements, and the many other circumstances involved with off-shore or on-shore study. These include —

- direct communication with international providers and students through the University's Centre for University Partnerships;

- creation of University positions dedicated to international and partnership arrangements including such senior positions as Deputy Vice-Chancellor Engagement (Professor Todd Walker) and Pro Vice-Chancellor International and Partners (Professor Mike Willis). These senior positions add credibility and weight to discussions with governments, businesses and educators in the international context, ensure that programs are introduced and delivered according to the University's standards, maintain Victoria's and Australia's educational reputation, and explore opportunities for further increasing the University's export activities;

- establishment, in 2012, of a Federation University Australia India Office in New Delhi, India, to ensure that student recruitment meets Australian Government and University eligibility criteria;

- development of extensive printed and on-line materials for international and partner provider staff, and for students, often in foreign languages (see, for example, Figure 3).

6. **Program relevance.** The University collaborates with off-shore partners to ensure that program subject matter is relevant to local circumstances, teachers and students. At Shenzhen Polytechnic in China, for example, a 16 subject Advanced Diploma of Business is offered. Half of the program is taught by
Figure 3  Federation University Australia Home Page, Chinese and English Languages, 2014.
Shenzhen personnel using China-relevant materials, the other half by Federation University Australia personnel who fly from Australia to China. Shenzhen teaching staff in turn visit the University's Business School at Ballarat to ensure they are fully involved in the program and that the program is being taught to maximum effect. Induction programs for staff and students are an important component of this focus.

In another example, the Federation University Australia Business School and Shenzhen Polytechnic recently researched perceptions of Chinese brands amongst consumers by examining how Chinese and Australian consumers reacted to Chinese brands such as TCL, Konka, Hisense, etc. It was a collaborative research effort which blended Australian and Chinese research knowhow.

Federation University Australia employs this collaborative approach as a general principle as a means of building engagement, relevance, relationships and shared ownership of teaching, learning and research export outcomes.

7. Professional presentation. The University is conscious of its responsibilities to Australia, Victoria, and the wider tertiary education sector. As noted above it has appointed two of its most senior staff members to ensure that its "export business" is conducted ethically, professionally, legally and in the best interests of the University, its teachers and its students. The quest to always improve has recently, for example, been given new impetus by the change of name from the University of Ballarat to Federation University Australia. Overt reference to Australia, and use of the word "Federation" (which in China is considered to be a term of consequence) have already been noted overseas as presenting an institution of greater significance than was previously the case.

8. Professional exchanges. The University encourages its overseas partners to visit Victoria. The University regularly hosts exchanges, visits, delegations, workshops and conferences from international universities and partners, participates in events conducted by such providers, and in every way possible seeks to strengthen partnership connections.

In summary, the University is selling and exporting educational quality. Without that quality, the University would not earn $67.2M in Victorian exports. The measures outlined above are designed to ensure that Federation University Australia educational exports are, and continue to be, of the highest quality.

Impediments and barriers creating difficulties for Federation University Australia as a regional educational exporter

In 2013 the University was asked to submit comments to the Australian Government's Inquiry into Assuring the Quality while Reducing the Higher Education Regulatory Burden (Red Tape Inquiry). Its submission outlined difficulties associated with dual-sector regulation and red tape, over-regulation associated with Victorian and Australian agencies which are themselves obliged to
seek information or assess education provider conduct often without reference to each other, and diverse other matters that impede the conduct of providers. The University does not here wish to rehearse the comments it made to the Inquiry other than to observe that the submission itemises diverse obstacles confronting a regional dual-sector university. A copy of the University's submission can be made available to the Committee if required.

As an international exporter of educational services, the University would welcome the Committee's assistance in removing some of the regulatory burdens imposed on the University as a self-accrediting provider and educational services exporter. Examples include —

- **Dual-sector integration.** Federation University Australia acknowledges the legal and jurisdictional difficulties associated with dual-sector regulatory reporting. HE is largely controlled by the Australian Government, VET by the Victorian Government. This results in a range and scale of obligatory reporting that is not required by single sector universities or TAFE Institutes. Such obligatory reporting at this scale is not funded by governments despite involving considerable staff commitment and resources. Nor are universities in a position to challenge the duplication of reporting obligations imposed by diverse government agencies meeting their own mandated responsibilities, which are not always co-ordinated with other agencies but which in total impose a considerable workload on individual universities (see, for example, PhillipsKPA, *Review of Reporting Requirements for Universities*, 2012, *passim*). Duplication in reporting thus requires the deployment of financial and personnel resources that might be more profitably directed at the University's teaching, learning, research and commercial enterprises including enlargement of its regional educational services export markets and activities.

  The University suggests that the Committee gives consideration to recommending to the Victorian Government that it discusses with the Australian Government the need to provide regulatory reporting funding to universities that enables them to meet unfunded reporting obligations and that a special case in this regard be made for the "double load" carried by dual-sector institutions such as Federation University Australia.

- **Registering of programs for delivery to international students.** Federation University Australia is a self-accrediting provider. Its programs are therefore self-accredited for delivery to domestic students. The Australian Government requires that programs to be taught internationally must negotiate a new application and accreditation process. The University recommends that if a program is already accredited for delivery to domestic students and is delivered full-time, then such a program should also be considered fully accredited for international students. Universities already list programs on their websites that are registered for delivery to international students so this practice would continue. The process for registering on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) for self-accrediting universities has been simplified by the Tertiary Education Quality and Standards
Agency (TEQSA) but even so can take time for current registration approval. Further, if programs are required to be on CRICOS the University suggests that providers should be able to access CRICOS and list their own programs.

- **Update of tuition fees.** The University considers that providers should be able to access the Provider Registration and International Students Management System (PRISMS) to change their fees. The University again emphasises that the engagement process with TEQSA is straightforward but could be avoided in the interests of necessity, efficiency and effectiveness.

- **Withdrawing programs.** The University cites this as another example of a task that could be undertaken directly by providers subject to appropriate assessment criteria, rather than via unnecessary bureaucratic procedures. Thus, for example, a program could not be withdrawn in which students are enrolled.

- **Annual declaration of confirmation.** The University questions the necessity of this declaration.

These instances are indicative only. Examples not relevant to the export concerns of the Committee but important in the conduct of the University include activities re-registration processes associated with dual-sector institutions (five different re-registration processes in a five year period), scope of registration requirements (Australian Skills Quality Authority), Victorian and Australia cross-departmental data collection complexity and duplication, and inconsistent risk assessment.

The University contends to the Committee that such obstacles are no less important to the successful export of educational services from regional Victorian than more visible regional impediments such as road and rail transport difficulties, differing levels of regional technological access, closure of government and professional support services, or the many other problems challenging businesses in non-metropolitan Victoria. Federation University Australia is generating $67.2M in export earnings for Victoria. It would therefore welcome the Committee's assistance in recommending the removal of export impediments and obstacles — in this case, unnecessary regulatory reporting — in order to lessen the time, personnel, resource and financial costs imposed on the University.

**Current and future roles of government in supporting Federation University Australia in its export endeavours**

The tertiary education sector in Australia is changing rapidly. The introduction of demand driven funding, changes to the Victorian TAFE funding model, the introduction of Victorian and Australian government mandated participation and attainment goals, non-ATAR/open access entry programs to tertiary programs, innovations in education delivery models including blended learning, on-line and
distance education, flipped learning and MOOCS, the wider impacts of ICT innovations, the development of teaching, learning and research partnerships (e.g. Victorian Regional Dual-Sector Partnership; Regional Universities Network; Federation University Australia Collaborative Research Network), and the growing importance of international education markets scarcely indicate the range of changes with which the Australian tertiary sector must contend.

For a university located in regional Victoria in a setting characterised by thin markets, by the financial obligation to provide teaching resources and infrastructure to dispersed populations which are themselves experiencing major structural change, and by the difficulties associated with competing with metropolitan providers with direct market access, any impediment has the capacity to undermine export potential. In these circumstances Federation University Australia would welcome the Committee's assistance in addressing concerns associated with the Victorian and Australian government regulatory environment.

To this end Federation University Australia would recommend that the Rural and Regional Committee —

1. Emphasise to the Victorian Government the value of educational exports that currently stem from regional Victoria, which in the case of Federation University Australia in 2013, was a $67.2M industry;

2. Seeks from the Victorian Government financial and institutional support for regional educational exports not as a by-product of on-going teaching and learning programs developed by the University, but as a specific, income-generating business in its own right and therefore no less worthy of support than other regional Victorian businesses dedicated solely or in part to export activities;

3. Requests that the Victorian Government actively address the regulatory burden imposed on the University by virtue of its dual-sector status and regional location which has the effect within the University of shifting scarce resources away from teaching, learning, research and export generating initiatives; and

4. Promotes greater understanding within the Victorian Government and its agencies of the regional environment within which Federation University Australia must operate — thin markets in particular — in order to secure greater financial and institutional support for the University's export initiatives.

Federation University Australia thanks the Rural and Regional Committee for the opportunity to make a submission to its Inquiry into opportunities for increasing exports of goods and services from regional Victoria, and commends to the Committee its suggestions on how to facilitate the export of educational services from regional Victoria.