



Jobs and productivity effects of the Regional Universities Network

Regional Universities Network

Overview

The Regional Universities Network (RUN) engaged the Nous Group to undertake analysis on the effects of the RUN on jobs and productivity in regional Australia. This short report presents these results, which demonstrate the capacity of the RUN to educate and place graduates in jobs in regional areas of Australia: Around 7 out of 10 RUN graduates will go on to work in a regional area, compared to about 2 out of 10 graduates nationally. With a current Senate Inquiry under way into the indicators of regional inequality, and reference to building human capital in regional Australia, these findings are of national relevance¹.

Established in October 2011, the Regional Universities Network (RUN) is a network of six universities based in regional Australia. Its members are: CQUniversity (CQU); Southern Cross University (SCU); Federation University Australia (FedUni); the University of New England (UNE); the University of Southern Queensland (USQ) and University of the Sunshine Coast (USC). RUN universities operate in over 60 locations, and have a total revenue exceeding \$1.7b, and employ over 6,000 FTE of staff.

Individually, RUN member universities play an important role delivering higher education to around 115,000 higher education students each year – about 9% of all university students nationally². Two of RUN's members, CQU and FedUni are dual sector providers, but this study has only focussed on the contribution of higher education. The member universities of the RUN contribute to the supply of labour and growth for their regions, and regional Australia in general, by training skilled graduates.

Through this effect and others, member universities contribute to the economic, social and cultural prosperity of regional Australia. RUN member universities not only produce, attract and retain a broad range of skilled professionals in regional areas, but also conduct research and train over 2,600 higher degree by research candidates each year.

**7 out
of 10**
RUN graduates
will go on
to work in a
regional area



¹ Senate Inquiry into the indicators of, and impact of, regional inequality in Australia, Terms of Reference F., 'Building Human Capital', see: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Regionalequality

² Senate Base from Universities Australia, Key Facts & Figures, 1.3 million students nationally.

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RUN member universities grow Australia's regional workforce and increase its productivity

A significant proportion of RUN member university graduates go on to work in regional Australia

Between 2013 and 2016, 69 per cent of employed undergraduate and 55 per cent of employed postgraduate level graduates from RUN member universities ended up working in regional areas upon graduation. By comparison, only 23 per cent of employed graduates – either undergraduate or postgraduate level – from non-RUN universities worked in regional Australia.

This demonstrates the significant role RUN member universities play in supplying skilled employees to regional Australia. Figure 1 below provides a breakdown of these figures for RUN member universities. Figure 2 - Figure 5 provide an additional level of granularity, highlighting the proportion of RUN member university graduates employed in regional areas, by work status (full-time and part-time) and study level.

Figure 1
Proportion of employed graduates working in regional Australia, by level of study, 2013-2016

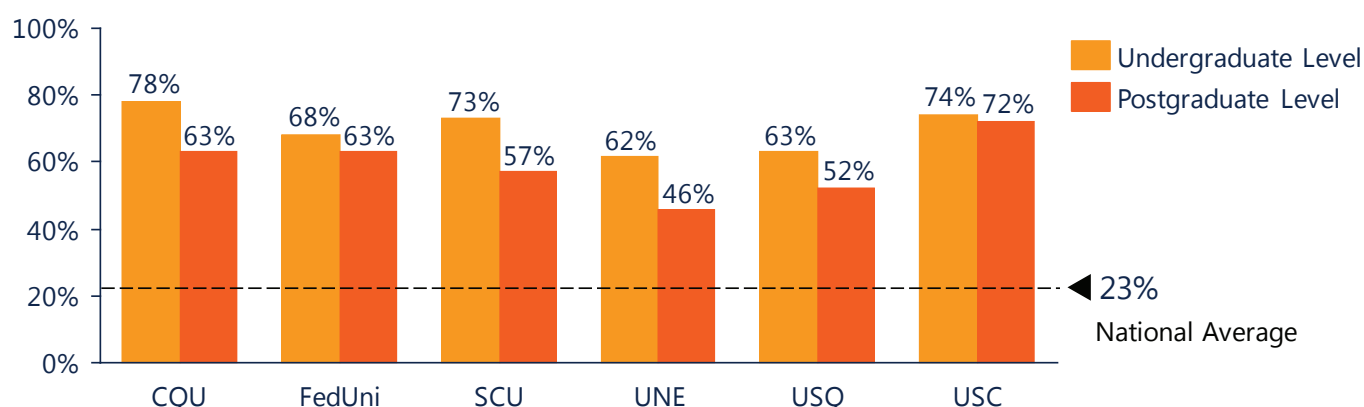


Figure 3 demonstrates that graduates from RUN member universities go on to work in regional areas at much higher rates than graduates from other universities. Between 2013 and 2016, at the undergraduate level, CQU has the largest proportion of graduates working in regional areas (78 per cent) followed by USC (74 per cent). At the postgraduate level, USC has the largest proportion of graduates working in regional areas (72 per cent) followed by CQU and FedUni at 63 per cent.

³ Source: Graduate Outcome Survey, 2016, supplied by RUN. Note: a) Regional Australia is classified as all areas outside the ABS' Greater Capital City Statistical Areas; b) only students whose location of workplace was recorded were included in the analysis (n=24,288 for RUN and n=322,400 ex-RUN).

Figure 2

Proportion of full-time employed bachelor level graduates, working in regional areas, 2013 - 2016

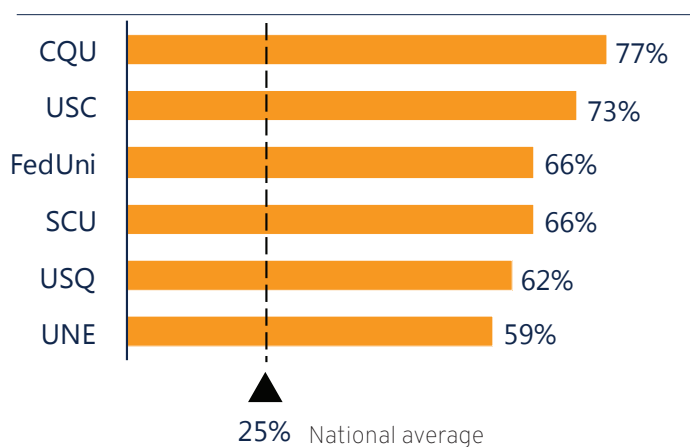


Figure 2 shows full-time employed bachelor level graduates from all RUN member universities work in regional areas at much higher rates than graduates from non-RUN universities (25 per cent). Between 2013 and 2016, CQU had the largest proportion of full-time employed bachelor-level graduates working in regional areas (77 per cent), followed by USC (73 per cent).

Figure 3

Proportion of part-time employed bachelor level graduates, working in regional areas, 2013 - 2016

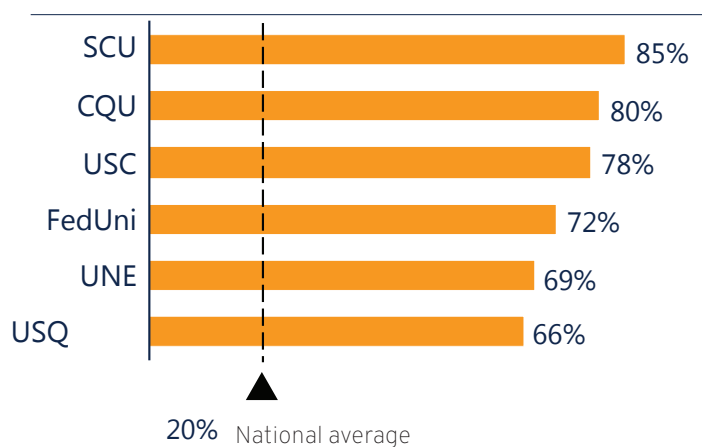


Figure 3 shows part-time employed bachelor level graduates from all RUN member universities work in regional areas at much higher rates than graduates from non-RUN universities (20 per cent). Between 2013 and 2016, SCU had the largest proportion of part-time employed bachelor-level graduates working in regional areas (85 per cent), followed by CQU (80 per cent). This is four times the rate for graduates from non-RUN universities.

Figure 4

Proportion of full-time employed postgraduate level graduates, working in regional areas, 2013-2016

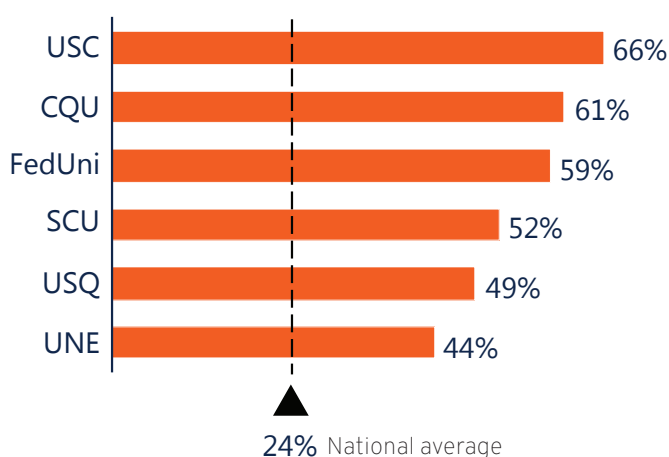


Figure 4 shows postgraduates from RUN member universities are less likely to work in regional areas than bachelor-level graduates, however they consistently work in regional areas at higher rates than postgraduates from non-RUN universities. Full-time employed postgraduate level graduates from all RUN member universities work in regional areas at much higher rates than graduates from non-RUN universities (24 per cent). Between 2013 and 2016, USC had the largest proportion of full-time employed postgraduate-level graduates working in regional areas (66 per cent), followed by CQU (61 per cent).

Figure 5

Proportion of part-time employed postgraduate level graduates, working in regional areas, 2013-2016

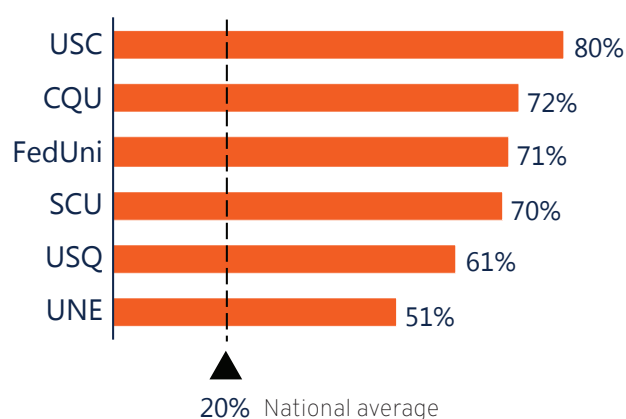


Figure 5 shows part-time employed postgraduate level graduates from all RUN member universities work in regional areas at much higher rates than graduates from non-RUN universities (20 per cent). Between 2013 and 2016, USC had the largest proportion of part-time employed postgraduate-level graduates working in regional areas (80 per cent), followed by CQU (72 per cent).

Increasing skill levels in regional Australia improves the productivity of regional labour markets

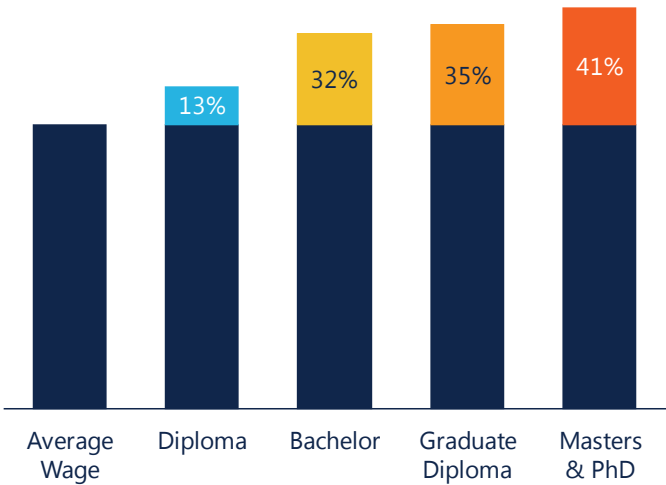
RUN member universities increase the average skill level of employees in their campus regions. This occurs in two ways:

- 1. RUN member universities equip students with new skills and knowledge. As demonstrated in Figure 1 above, approximately 70 per cent of these students go on to work in regional Australia
- 2. RUN member universities employ highly skilled staff.

By increasing employees' skill levels, RUN member universities make employees in regional Australia more productive. This productivity gain can be measured by modelling average real wage levels in RUN member university campus regions: the more skilled (and therefore more productive) an individual, the higher their wages will be.

In general terms, university graduate wages are higher than real wages. Figure 6 shows the annual wage premia by study level that all university graduates can expect to receive as a result of tertiary education. For example, students who complete a Bachelor level degree could expect to earn 32 per cent more than the average wage. The range of wage premia varies from 13 per cent for studying at the Diploma level, to 41 per cent for completing a Masters level program or PhD.

Figure 6
Wage premia, by education level



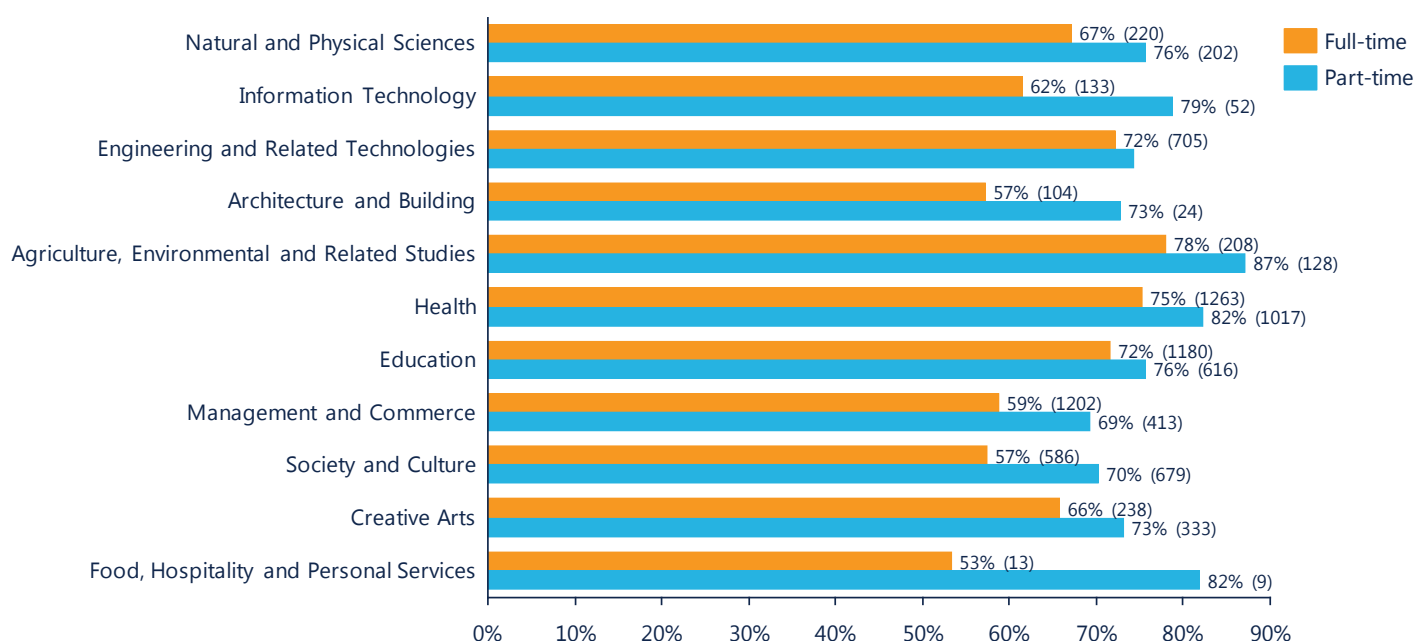
RUN member universities supply employable graduates across a broad range of key sectors

Given the breadth of courses offered at RUN member universities, students graduate with the necessary qualifications to work across a broad range of sectors. Accordingly, the impact of RUN member universities on labour productivity occurs across a range of industries.

Figure 7 captures the diversity of disciplines RUN graduates are trained in. It shows the percentage (and number) of RUN member university bachelor-level graduates that go on to work in a regional area, by area of study. That is, how many of the graduates that studied a particular discipline, and are now working in regional Australia. For example, 75 per cent of the bachelor-level graduates that studied Health related courses, and are now working full-time, are working in regional areas. Whilst we don't know how many of these students are working in the Health sector, it is reasonable to assume that the majority of individuals who studied health-care related disciplines will go on to work in the Health sector.

Figure 7

Proportion of employed bachelor-level RUN graduates, working in regional areas between 2013-2016, by work status and area of study



As demonstrated in Figure 7, a greater proportion of full-time employed graduates work in regional areas, than part-time, however the rates are high for both.

Students who studied Agriculture, Environmental and Related Studies are the most likely to work in regional areas, whether full-time (87 per cent) or part-time (78 per cent). This is followed by graduates that studied Health related courses. Between 2013 and 2016, 82 per cent of full-time employed and 75 per cent of part-time employed Health graduates worked in regional areas.