



Southern Cross University

Southern Cross University (SCU) has campuses at the Gold Coast-Tweed Heads, Lismore and Coffs Harbour. The University also operates The Hotel School Sydney in partnership with Mulpha Australia. SCU offers undergraduate and postgraduate courses across a broad range of disciplines which are designed in consultation with industry. Many courses involve work placements and internships and other forms of hands-on learning to produce work-ready graduates. Research is undertaken in areas that are regionally relevant and globally significant, including geoscience, plant genetics, cetacean research, health and wellbeing and tourism.²

Introduction

The Regional Universities Network (RUN) is a network of six universities with headquarters in regional cities or towns in Australia. RUN was established in October 2011 with each member University playing a vital role in the development of their regional economies and communities¹. The foundation members include:

- CQUniversity;
- Southern Cross University;
- University of Ballarat;
- University of New England;
- University of Southern Queensland; and
- University of the Sunshine Coast.

In October 2012, RUN commissioned a study to estimate the economic contribution of each University to its local region. This report outlines the impact of Southern Cross University.

This report examines the impact of SCU on its local regions of Lismore, Coffs Harbour and the combined Gold Coast-Tweed Local Government Areas (LGAs) and does not include the impacts of other operations of the University including The Hotel School, Sydney. Perhaps more importantly, it excludes the University's contribution to encouraging people living in the region to undertake higher education. Consequently, the economic impact analysis contained in this report is an extremely conservative estimate of the impact of SCU on the economy.

The impacts derived at the State level for the campuses examined is greater than the sum of the impacts on the relevant LGAs, as a result of expenditure made outside the LGA, but elsewhere in the State, and the associated flow-on effects. Additionally, the report examines the added impact of the University in terms of contribution to human capital in these regions.

The impact is measured in terms of:

Industry value added – the total value of turnover less the value of intermediate purchases. Industry value added measures the contribution of each industry sector to gross domestic or regional product. Total gross domestic or regional product is the sum of the industry value added for all industry sectors plus value added from final demand (household and government consumption expenditure, capital formation, exports and changes in inventories);

Household income – primarily comprising wages and salaries;

Employment – measured as full-time equivalent jobs, adopting the Australian Bureau of Statistics convention whereby one part-time job equates to 0.5 full-time job; and

Output – total gross revenue. This element should be used with caution as it can include elements of double counting when the output of integrated industries is aggregated, as it includes the cost of inputs at each stage. Gross regional product (GRP) excludes the cost of intermediate inputs and is therefore a more appropriate measurement of economic contribution.

¹ www.run.edu.au Accessed 15th November 2012

² www.scu.edu.au/about.htm Accessed 11th November 2012

Impact on Lismore LGA

This section summarises the impact of the Lismore campus of SCU on Lismore LGA. The result is provided as the total impact in the LGA, as well as a breakdown of the individual components including:

- operations - the wages and salaries of staff as well as all other expenditure by the Lismore campus in the Lismore LGA;
- expenditure by students combined with visitor expenditure associated with graduation ceremonies; and
- any capital expenditure within the LGA during the 2011 calendar year.

Total Impact

The total impact of the Lismore campus of SCU on Lismore LGA is outlined in the table below.

	Output \$m	Income \$m	Value Added \$m	Employment FTE
Total	352.8	135.1	220.8	1,652
% of region	10.0%	13.1%	10.3%	10.6%

SCU contributes 10.3 per cent of gross regional product, 13.1 per cent of household income and 10.6 per cent of FTE employment in the Lismore LGA when flow-on effects are taken into account.

The main industry sectors impacted by SCU in Lismore LGA in terms of FTE employment are Health Care & Social Assistance, Retail Trade and Education & Training. Overall, SCU contributes the following to the Lismore economy:

- \$220.8 million in gross regional product;
- \$135.1 million in household income; and
- 1,652 FTE jobs.

It should be noted that Lismore is a relatively small LGA and has close links with the surrounding LGAs including Richmond Valley and Ballina, with many of the staff at the Lismore campus living regionally. The impact of flow-on effects in these surrounding LGAs is likely to be strong. However, the local gross regional product is generated by workers in an area, regardless of where they live, so the initial employment impact of all staff is measured as impacting on Lismore LGA.

The impact of the individual components of the Lismore campus of SCU on the Lismore LGA is outlined in the table below.

	Output \$m	Income \$m	Value Added \$m	Employment FTE
Operations	316.6	126.2	202.0	1,501
Student Expenditure	23.2	5.9	12.4	99
Capital Expenditure	13.1	3.1	6.3	52

Operations

The operations of the Lismore campus of SCU contribute \$202.0 million in gross regional product, \$126.2 million in household income and 1,501 FTE jobs to the Lismore economy.

The main industry sectors impacted by the operations of Lismore campus in terms of flow-on FTE employment are Health Care & Social Assistance, Retail Trade and Education & Training.

Student Expenditure

Expenditure by students from the Lismore campus of SCU, combined with visitor expenditure associated with graduation ceremonies, contributes \$12.4 million in gross regional product, \$5.9 million in household income and 99 FTE jobs to the Lismore economy.

The main industry sectors impacted by student expenditure in the Lismore LGA in terms of FTE employment are Health Care & Social Assistance, Retail Trade and Accommodation & Food Services.

Capital Expenditure

SCU capital expenditure contributes \$6.3 million in gross regional product, \$3.1 million in household income and 52 FTE jobs to the Lismore economy.

The main industry sectors impacted by investment by SCU in terms of FTE employment are Retail Trade, Machinery & Equipment Manufacturing and Construction.

Economic Impact

Impact on Coffs Harbour LGA

This section summarises the impact of the Coffs Harbour campus of SCU on Coffs Harbour LGA. The result is provided as the total impact in the LGA, as well as a breakdown of the individual components including:

- operations - the wages and salaries of staff as well as all other expenditure by the Coffs Harbour campus in the Coffs Harbour LGA;
- expenditure by students combined with visitor expenditure associated with graduation ceremonies; and
- any capital expenditure within the LGA during the 2011 calendar year.

Total Impact

The total impact of the Coffs Harbour campus of SCU on Coffs Harbour LGA is outlined in the table below.

	Output \$m	Income \$m	Value Added \$m	Employment FTE
Total	63.5	23.0	36.1	303
% of region	1.3%	1.7%	1.2%	1.4%

SCU contributes 1.2 per cent of gross regional product, 1.7 per cent of household income and 1.4 per cent of FTE employment in the Coffs Harbour LGA when flow-on effects are taken into account.

The main industry sectors impacted by SCU in Coffs Harbour LGA in terms of FTE employment are Retail Trade, Health Care & Social Assistance and Accommodation & Food Services.

Overall, SCU contributes the following to the Coffs Harbour economy:

- \$36.1 million in gross regional product,
- \$23.0 million in household income; and
- 303 FTE jobs.

The impact of the individual components of the Coffs Harbour campus of SCU on the Coffs Harbour LGA is outlined in the table below.

	Output \$m	Income \$m	Value Added \$m	Employment FTE
Operations	39.8	17.8	24.7	219
Student Expenditure	11.3	2.8	6.2	46
Capital Expenditure	12.3	2.4	5.3	38

Operations

The operations of the Coffs Harbour campus of SCU contributes \$24.7 million in gross regional product, \$17.8 million in household income and 219 FTE jobs to the Coffs Harbour economy.

The main industry sectors impacted by the operations of Coffs Harbour campus in terms of flow-on FTE employment are Retail Trade, Health Care & Social Assistance and Accommodation & Food Services.

Student Expenditure

Expenditure by students from the Coffs Harbour campus of SCU, combined with visitor expenditure associated with graduation ceremonies, contributes \$6.2 million in gross regional product, \$2.8 million in household income and 46 FTE jobs to the Coffs Harbour economy.

The main industry sectors impacted by student expenditure in the Coffs Harbour LGA in terms of FTE employment are Accommodation & Food Services, Retail Trade and Other Services.

Capital Expenditure

SCU capital expenditure contributes \$5.3 million in gross regional product, \$2.4 million in household income and 38 FTE jobs to the Coffs Harbour economy.

The main industry sectors impacted by investment from SCU in terms of FTE employment are Construction, Retail Trade and Health Care & Social Assistance.

Impact on the combined Gold Coast-Tweed LGAs

This section summarises the impact of the Gold Coast-Tweed campus of SCU on the combined Gold Coast-Tweed LGA. The result is provided as the total impact in the LGAs, as well as a breakdown of the individual components including:

- operations: the wages and salaries of staff as well as all other expenditure by the Gold Coast-Tweed campus in the combined Gold Coast-Tweed LGAs;
- expenditure by students combined with visitor expenditure associated with graduation ceremonies, and
- any capital expenditure within the LGAs during the 2011 calendar year.

Total Impact

The total impact of the Gold Coast-Tweed campus of SCU on the combined Gold Coast-Tweed LGAs is outlined in the table below.

	Output \$m	Income \$m	Value Added \$m	Employment FTE
Total	101.0	32.6	59.2	410
% of region	0.2%	0.3%	0.2%	0.2%

SCU contributes 0.2 per cent of gross regional product, 0.3 per cent of household income and 0.2 per cent of FTE employment in the combined Gold Coast-Tweed LGAs when flow-on effects are taken into account.

The main industry sectors impacted by SCU in the combined Gold Coast-Tweed LGAs in terms of FTE employment are Construction, Retail Trade and Accommodation & Food Services.

Overall, SCU contributes the following to the Gold Coast-Tweed economy:

- \$59.2 million in gross regional product,
- \$32.6 million in household income; and
- 410 FTE jobs.

The impact of the individual components of the Gold Coast-Tweed campus of SCU on the combined Gold-Coast-Tweed LGAs is outlined in the table below.

	Output \$m	Income \$m	Value Added \$m	Employment FTE
Operations	50.7	21.8	35.2	253
Student Expenditure	16.8	4.2	9.1	63
Capital Expenditure	33.5	6.6	14.9	94

Operations

The operations of the Gold Coast-Tweed campus of SCU contribute \$35.2 million in gross regional product, \$21.8 million in household income and 253 FTE jobs to the combined Gold Coast-Tweed economy.

The main industry sectors impacted by the operations of the Gold Coast-Tweed campus in terms of flow-on FTE employment are Retail Trade, Accommodation & Food Services and Health Care & Social Assistance.

Student Expenditure

Expenditure by students from the Gold Coast-Tweed campus of SCU, combined with visitor expenditure associated with graduation ceremonies, contributes \$9.1 million in gross regional product, \$4.2 million in household income and 63 FTE jobs to the combined Gold Coast-Tweed economy.

The main industry sectors impacted by student expenditure in the combined Gold Coast-Tweed LGAs in terms of FTE employment are Accommodation & Food Services, Other Services and Retail Trade.

Capital Expenditure

SCU capital expenditure contributes \$14.9 million in gross regional product, \$6.6 million in household income and 94 FTE jobs to the combined Gold Coast-Tweed economy.

The main industry sectors impacted by investment by SCU in terms of FTE employment are Construction, Retail Trade and Professional, Scientific & Technical Services.

Impact on the New South Wales economy

The impact of the Lismore and Coffs Harbour campuses of SCU on the New South Wales economy is outlined in the table below.

	Output \$m	Income \$m	Value Added \$m	Employment FTE
Total	531.8	190.7	310.2	2,089

SCU contributes \$310.2 million in gross State product, \$190.7 million in household income and 2,089 FTE jobs to the New South Wales economy.

The main industry sectors impacted by SCU in terms of flow-on FTE employment are Retail Trade, Professional, Scientific & Technical Services and Health Care & Social Assistance.

External Education

In addition to students studying internally, in 2011 SCU had more than 4,300 enrolments in external or distance education courses at either undergraduate or postgraduate level. Almost 35 per cent were studying at a postgraduate level. Just over two per cent of those undertaking external education at SCU were from overseas. The distribution of students living in Australia undertaking external education at SCU in 2011 is shown in the table below.

	Postgraduate	Undergraduate	Total
NSW - metropolitan	29.8%	29.7%	29.7%
NSW - regional	19.8%	26.0%	23.8%
QLD - metropolitan	16.2%	14.4%	15.0%
QLD - regional	8.5%	9.6%	9.2%
SA - metropolitan	4.4%	3.0%	3.5%
SA - regional	0.5%	0.5%	0.5%
TAS - metropolitan	1.2%	0.7%	0.9%
TAS - regional	0.8%	0.6%	0.7%
VIC - metropolitan	9.6%	6.4%	7.5%
VIC - regional	2.3%	2.6%	2.5%
WA - metropolitan	2.3%	2.3%	2.3%
WA - regional	0.8%	1.2%	1.1%
ACT	2.1%	1.7%	1.8%
NT	1.7%	1.3%	1.4%
Total	100.0%	100.0%	100.0%

Almost 30 per cent of enrolments were from metropolitan New South Wales with a further 24 per cent living in regional areas of the State. A further 15 per cent were based in metropolitan Queensland.

Other impacts

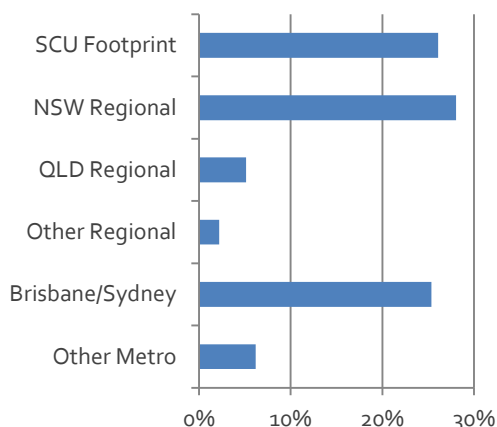
The second part of the report examines additional economic benefits that result from the presence of SCU in the local region in terms of human capital. The presence of graduates in a region generally results in higher wages and lower unemployment rates as well as contributing to an educated workforce. When graduates of SCU are employed regionally, the University is making a specific contribution in terms of human capital. This section examines where SCU graduates are initially employed with particular focus on regional employment.

Initial employment location of SCU Bachelor level graduates

The Graduate Careers Survey undertaken by the Graduate Careers Council collects the employment location of a graduate approximately four months after graduation.

Data from SCU overall, between 2007 and 2011, indicates that 28 per cent of graduates with Bachelor level qualifications, that were employed four months after graduation, were initially employed in the SCU footprint (the combined LGAs of Lismore, Coffs-Harbour, Tweed and Gold Coast). A further 30 per cent were initially employed in a regional New South Wales location, six per cent in a regional Queensland location and two per cent in a regional location in another state as shown in the graph overleaf.

Percentage of Bachelor level graduates that were employed at the survey census date, by location of employment, 2007-2011.



Source: Graduate Careers Australia and SCU

Overall, 66 per cent of Bachelor level graduates, that were employed four months after graduation, were initially employed in a regional location.

Proportion of the population with a post-school qualification

Between the 2006 and 2011 Census periods, the proportion of the population aged over 15 years, with a university qualification increased in the Lismore, Coffs Harbour and the combined Gold Coast-Tweed LGAs in which SCU is located, as shown in the table below.

	Lismore		Coffs Harbour		Gold Coast-Tweed	
	2006 %	2011 %	2006 %	2011 %	2006 %	2011 %
Doctoral Degree Level	0.6	0.9	0.3	0.5	0.4	0.5
Master Degree Level	1.4	1.7	1.2	1.6	1.5	2.2
Graduate Diploma Level	1.7	1.8	1.3	1.2	1.0	1.1
Graduate Certificate Level	0.3	0.3	0.2	0.2	0.2	0.3
Bachelor Degree Level	25.3	27.9	10.1	12.1	11.3	13.1
Total university qualification	16.8	18.6	13.1	15.6	14.3	17.2

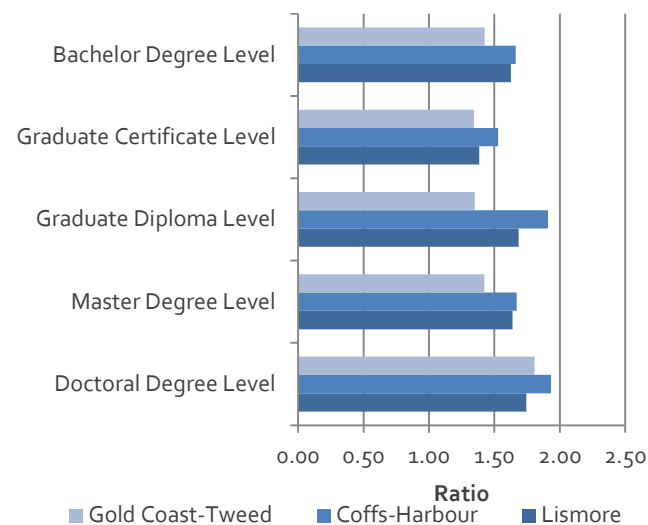
Source: ABS Census of Population and Housing 2006-2011

Between the 2006 and 2011 Census, total university qualifications as a percentage of the population aged 15 years and over, rose from 16.8 per cent to 18.6 per cent in Lismore LGA. During the same period, the proportion grew from 13.1 per cent to 15.6 per cent in Coffs Harbour LGA and from 14.3 per cent to 17.2 per cent in the combined Gold Coast-Tweed LGA.

Income levels by qualification

Based on data from the 2011 Census for the three LGAs in which SCU is located, persons in the workforce holding a university qualification generally command significantly higher incomes from employment than the average income for the workforce as a whole. This is shown in the graph below.

Ratio of average income levels of persons with higher education qualifications to average income levels of all employed persons



Source: ABS Census of Population and Housing 2006-2011

The average income from employment for persons holding a Bachelor degree in Lismore LGA was 1.63, in Coffs Harbour LGA was 1.66 and in the combined Gold Coast-Tweed LGAs was 1.43 times higher than for the average overall workforce.

For those with a Graduate Diploma level qualification, average incomes were 1.69 times higher in Lismore LGA, 1.91 times higher in Coffs Harbour LGA and 1.35 times higher in the combined Gold Coast-Tweed LGAs, than the average for the workforce overall.

Economic Impact

Unemployment rate and post-school qualifications

An analysis of the unemployment rates for the Lismore, Coffs Harbour and the combined Gold Coast-Tweed LGAs at the 2011 Census, shows that the average unemployment rate for persons with a university qualification is considerably lower than the overall workforce unemployment rate as shown in the table below.

Additionally, the unemployment rate amongst those people with no post-school qualifications is considerably higher than for those with a university qualification and for the labour force overall.

	Lismore	Coffs Harbour	Gold Coast – Tweed
Doctoral Degree Level	3.5%	0.0%	3.6%
Masters Degree Level	4.0%	3.0%	5.2%
Graduate Diploma	4.8%	5.9%	3.4%
Graduate Certificate	5.2%	0.0%	3.5%
Bachelor Degree Level	4.7%	3.4%	4.5%
University qualification	4.5%	3.4%	4.4%
No post-school qualification	10.8%	11.7%	9.7%
Total region	8.3%	8.3%	7.6%

Source: ABS Census of Population and Housing-2011

Summary

The SCU region has shown an increase in the proportion of the population with a university qualification between the 2006 and 2011 Census periods. Whilst not all of the local community would have received their qualification from SCU, the initial location of the graduates from SCU would indicate that a large proportion is retained in the local region.

Additionally, 2011 Census data also shows that university graduates in the SCU region, on average, earn higher incomes and have lower unemployment rates compared to people with no university qualifications. These results would indicate that SCU has a significant impact on the human capital of its local region.

Economic Impact of RUN

Total Impact

The impact of RUN on the Australian economy is shown below.

	Output \$m	Income \$m	Value Added \$m	Employment FTE
Total	3,601.4	1,209.2	2,050.7	14,263
% of region	0.1%	0.2%	0.1%	0.2%

RUN contributes 0.1 per cent of gross domestic product, 0.2 per cent of household income and 0.2 per cent of FTE employment in Australia when flow-on effects are taken into account.

The main industry sectors impacted by RUN in terms of FTE employment are Retail Trade, Education & Training and Professional, Scientific & Technical Services.

Overall, RUN contributes \$2.1 billion in gross domestic product, \$1.2 billion in household income and more than 14,000 FTE jobs to the Australian economy.



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