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DEMAND-DRIVEN UNIVERSITY FUNDING VITAL

The Regional Universities Network (RUN) strongly believes that the continuation of the demand-driven system, which removes artificial restrictions on entry to university, is vital for regional Australian economies and communities.

Why is this important? Our six universities are located in regional areas and in regional Australia the proportion of people who have a university degree is only half that of those who live in the capital cities. We need more graduates in areas where RUN universities are based so people in regional Australia can fully participate in the modern economy. And we particularly need to extend this opportunity to those who suffer disadvantage.

The demand driven system - under which the federal government subsidises a Commonwealth Supported Place for virtually all students who have the capacity and the desire to do a bachelor degree - is helping us to achieve these aims. Between 2009 and 2012, when this system was being phased in, the number of low socio economic status students commencing bachelor degrees at RUN universities grew by about 20 per cent and enrolments by regional students grew over 13 per cent.

Given that RUN universities teach more than 100,000 students across 29 campuses (around 9 per cent of all university enrolments) this is a significant outcome which needs to be remembered as the federal government considers the review of the demand driven system which was undertaken in the last few months by former Education Minister David Kemp and Grattan Institute higher education project director Andrew Norton.

We also advocate extending the demand-driven system to sub-degrees, which students often use as a pathway to a bachelor-level course. This would allow universities to be even more responsive to the needs of less academically prepared students.

The added support students would receive in these programs would mean that they could successfully transfer to second year university study, and would not require an extra years' study or funding. More sub-degree pathways would also help diffuse the debate about school leavers directly entering full bachelor-level studies with low ATARs. Given this, redirecting some of the participation component of the Higher Education Partnership and Participation Program funding could help support the expansion.

Another change we would like to see is for the government to address the inequities in the distribution of Commonwealth supported postgraduate places. The current allocation of these places is a function of historic circumstance and lacks transparency and coherence. In 2011, around 40 per cent of postgraduate coursework places were supported by the Commonwealth but the proportion of supported coursework places at individual

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institutions ranged from 3 per cent to 88 per cent.

There is currently no effective mechanism to deal with this situation which disadvantages postgraduate students at universities with a low share of supported postgraduate places. As a matter of principle, RUN considers that the outcome should deliver any additional places to areas of specific skills shortage and student demand, noting that regional Australia may have specific skills needs that are not necessarily reflected at a national level.

RUN supports the option for universities to forgo Commonwealth Supported Places and uncap tuition fees on a course by course basis, which, by providing savings, would assist in continued funding of the demand driven student system, extending it to sub-degrees and addressing issues around Commonwealth supported postgraduate coursework places.

Securitisation of HECS debt has also been suggested as a move to raise revenue to fund these measures. Although analysis of this proposal indicates some caveats, further analysis may be warranted. RUN does support recovering HECS debt from Australians living overseas and from estates of the deceased.

With these measure enacted, we believe the demand driven system can be enhanced, sustainable and provide equitable opportunities for those living in regional Australia.

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