

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2011-2012**

Outcome 3 - Tertiary, Skills, International and Indigenous Strategy

DEEWR Question No. EW0665_12

Senator Rhiannon provided in writing.

Question

Demand Driven funding

Have you reviewed any research that shows the middle to higher end of socio-economic groups benefit most from a voucher system, rather than helping the most disadvantaged students? What is your assessment of this?

Answer

The department is not aware of any research that shows that the benefits of a higher education voucher system would differ by socio-economic status of students.

The department is aware of research that suggests that voucher systems in the school sector are likely to intensify concentrations of poverty and disadvantage within schools (for example: Kahlenberg, R.D. 2002, *Socioeconomic School Intergration Through Public School Choice: A Progressive Alternative to Vouchers*, Howard Law Journal, vol 45, pp. 247-280; and Narodowski, M. and Nores, M. 2001, *Socioeconomic segregation with (without) competitive education policies. A Comparative analysis of Argentina and Chile*, Comparative Education, vol 38:4, pp. 429-451).

The department believes that this research has limited utility in the context of increasing participation in Australia's higher education system. The school voucher systems allow parents to exercise greater choice in relation to which school they send their children. Subject to meeting entry requirements, that choice already exists in Australia's higher education system.

Furthermore, the demand driven funding system is designed to enable universities to respond to student demand and to enrol more students, thereby enlarging the system and increasing participation. Whereas school voucher systems referred to in the research looked at by the department is not designed to increase participation, but rather to enable movement of students already in the school system (with a view to increasing parental choice and competition and in turn the quality of education).

In increasing participation, the demand driven system will draw additional students who would not otherwise undertake university studies. As low socio-economic groups are currently under-represented in higher education, it is those from the low

socio-economic backgrounds who are likely to benefit most from the transition to a demand driven system.

The Higher Education Participation and Partnerships Program (HEPPP) aims to ensure that Australians from low SES backgrounds who have the ability to study at university get the opportunity to do so.

The HEPPP provides funding to eligible universities to undertake activities and implement strategies that improve access to undergraduate courses for people from low SES backgrounds, as well as improving the retention and completion rates of those students.

In addition, the HEPPP aims to assist eligible universities to meet the Australian Government's ambition that 20 percent of domestic undergraduate students will be from low SES backgrounds by 2020.

The HEPPP consists of two components:

- a participation component, with the objective of increasing the participation of domestic students from low SES backgrounds in accredited undergraduate qualifications, and supporting the retention and success of those students
- a partnership component, with the objective of building the aspirations and capacity of people from low SES backgrounds to participate in higher education through collaborative activities with stakeholders, such as State and Territory governments, schools, VET providers, and community organisations.