

**Question on Notice:**

**Standing Committee on Education and Employment Legislation Committee**

**Higher Education and Research Reform Amendment Bill 2014**

**Professor Peter Lee, Chair, Regional Universities Network.**

**7 October 2014**

*Sen Nick Xenophon:* The Australian on 1 October, on Wednesday of last week, made reference to payments under the vocational education system, the equivalent of the HECS loan schemes, multiplying fiftyfold in five years. There were a number of comments made, including by my colleague Senator Lee Rhiannon, about the so-called honey pot and that people were milking the system. On notice, can you reflect on those comments and tell us whether you think that an opening up of the system overall might have a number of consequences for regional universities, unintended or not, in terms of the pressures on your institutions?

*Prof Lee:* I am happy to take that on notice, as you said, but I would also reflect that the opening of the demand driven system for sub-bachelor places may actually help in the sense of better preparing student for university study, and I would welcome that change.

**Answer:**

RUN welcomes the extension of the demand driven system to sub-bachelor places, which will provide more pathways for students who are less well prepared for university study. Students taking these pathways to undergraduate degrees may improve their degree completion rates and outcomes.

We do not expect an extremely large growth in sub-bachelor and bachelor places at regional universities as a result of the proposed reforms, due to the thin market, and due to the fact that the introduction of the demand driven system in 2012 absorbed much of the existing demand for bachelor places.

We do not expect significant growth in non-university higher education providers in the regions in the foreseeable future due to the thin market.