

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2014 - 2015**

Outcome: Higher Education Research and International

Department of Education and Training Question No. SQ15-000151

Senator Carr, Kim provided in writing.

Also refer to previous Question No. SQ15-000231

five disincentives faced by regional providers

Question

"The answer to QON ED0719_15 lists five "disincentives" faced by regional providers.

- (a) Would these militate against their capacity to compete in a deregulated system?
- (b) Will the Government's proposed \$100 million adjustment fund be adequate to address all these disadvantages?
- (c) Is the \$100 million a one-off allocation?
- (d) How will these problems be addressed in an ongoing fashion, to deal with the ongoing disadvantage experienced by regional providers and campuses?
- (e) Will the adjustment fund be restricted in its application to regional universities and campuses?
- (f) So will regional institutions have to share this money with some metropolitan providers?
- (g) Can you confirm that Universities Australia thinks the adjustment fund should be \$500 million?
- (h) Why has the Government settled on just a quarter of that amount? How did the Government arrive at the \$100 million figure?"

Answer

The Government decided that a \$100 million structural adjustment fund is sufficient to support universities, particularly those in regional areas, to restructure their operations so they can meet the demands of a more competitive market.

The Regulation Impact Statement (RIS) for the higher education reforms concluded that the Government's proposed reforms would not have a negative impact on the financial viability of regional universities (RIS section 6.1.2 p 79-81). The RIS also concluded the proposed reforms are not expected to either strengthen or weaken the relative advantages or disadvantages of regional universities compared to metropolitan universities.

Fee deregulation and the extension of demand driven funding would provide all universities and non-university higher education providers with greater flexibility and autonomy to exploit or address their relative advantages/disadvantages. For example, regional universities are expected to be in a stronger position to grow their sub bachelor course offerings and take advantage of the additional revenue from the extension of demand driven funding.

The proposed fund is a one-off three year allocation.

The proposed fund builds on other measures that will assist universities operating in thin markets, including the extension of the demand-driven system and reforms to the Higher Education Participation Programme.