Regional Universities Network (RUN) Submission to the
Review of the Demand Driven System

Summary

It is imperative to continue to increase the participation in higher education by regional Australians so that the regions have similar higher education attainment rates to capital cities. This will enable regional Australia to enhance its economic, social, cultural and environmental development, productivity, unlock its full human potential and fully participate in the modern economy to the benefit of the nation.

The student demand driven system provides a vital framework for achieving these goals. It has produced a sharpened focus for universities to develop their product portfolios and innovate in response to demand and markets.

The Regional Universities Network (RUN) strongly supports the continuation of the student demand driven system for bachelor places, and extending the demand driven system to sub-bachelor places so that universities can provide pathways and preparation for less well prepared, particularly low socio-economic status (SES), students.

RUN also considers that it is important to address the inequities in the distribution of the Commonwealth-supported postgraduate coursework places in Australian universities that have developed over time.

While noting that Australia is 25th out of 29 advanced economies for public investment in universities as a percentage of GDP, RUN recognises that the Government currently faces serious budgetary constraints. If the Government considers it necessary to re-examine the mix of government / private contributions to higher education or any other modifications to the student loans scheme, the examination should carefully consider the impact on any change on low SES, regional / rural, indigenous participation.

General comments

Regional universities have a fundamental role to play in the development of the nation. They drive regional economic, social, cultural and environmental development, innovation and productivity, and help unlock the full human potential of their regions and hence the nation.

Regional Universities Network

The Regional Universities Network (RUN) is a group of six regionally based universities (CQUnderst, Southern Cross University (SCU), University of Ballarat (UB), University of New England (UNE), University of Southern Queensland (USQ), University of the Sunshine Coast (USC)), all with close links to their communities, dedicated to further enhancing the role that regional universities play in the development of their regions and the nation.

RUN universities teach more than 100,000 students across 29 campuses representing 9% of enrolments in Australian public universities. They educate 25% of Australia’s regional higher education students, 34% of its domestic distance education students, 16% of its lower socio-economic status students, 15% of its Indigenous students, and 32% of students in enabling courses.
RUN is committed to enhancing collaboration amongst its members to enhance the efficient use of resources. In 2012 our Vice-Chancellors signed a multi-lateral agreement, the RUN Accord, to promote collaboration and foster economies of scale for the benefit of our students and staff.

This submission provides a RUN-wide view against the Review of the Demand Driven System’s Terms of Reference (TORS) and includes some examples from our universities. Further detail on specific examples may be found in our universities’ individual submissions to the review.

Public benefits of higher education

There are significant public benefits derived from higher education and the public money required to maintain existing levels of Commonwealth support is well spent in the regions. The funding provided by the Commonwealth for teaching and learning, research, innovation and other activities in regional universities is vital to for regional development. Research is a key part of being a university – without this many benefits would be lost to regional Australia. Research at RUN institutions attracts quality academics, builds institutional quality and capacity, and supports and contributes to regional industries and commercial activities.

There is a pressing need to increase participation by regional Australians at university to provide sufficient professionals to work in regional Australia, enable regional industries to diversify and grow, and enable regional Australia to participate fully in the modern world economy. Regional Australians comprise a significant proportion of our population – as at June 2012, 34% of Australia’s population (7.7 million people) resided outside greater capital city areas and 30% lived outside major cities¹. Despite common misconceptions, the population of regional Australia is rising. Between 2007 and 2012, the population outside of the major cities rose by 6.6%² and by 2026 is expected to grow by 26% outside capitals³.

There is still a significant gap between higher education attainment in regional Australia compared with our capital cities. The further away from capitals, the lower the post-school education attainment⁴. In 2011, 31% of people aged 25-64 who lived in major cities held a Bachelor degree or above, compared to about half that in regional Australia; 18% of Australians living in inner regional areas had a degree, declining to 15% for outer regional areas and down to only 12% for very remote areas⁵.

Young people in regional Australia continue to have less aspiration for higher education. While 63% of young people in metropolitan areas intend to enrol in higher education, only 39% in provincial areas and 32% in remote areas intend to do so.⁶ Further discussion on participation is included in more detail below in response to TOR 2.

Regional Australia needs trained professionals to work in the regions, to innovate and diversify regional industry, fully participate in the modern economy, to grow regional development and enhance regional productivity.

² ABS (2013) Regional Population Growth, Australia, 2012 cat. No 3218.0
³ ABS (2008) Population Projections, Australia, 2006 to 2101 cat. No 3222.0 (Based on Series B projections
⁴ ABS (2008) Australian Social Trends, 2008 cat. No 4102.0
⁵ ABS 2011 Census community profiles
The investment by Government in regional universities pays off. On average, people with post-school qualifications not only have greater opportunity for employment, earn more, have better health outcomes and also make a greater contribution to society.

**TOR 1: The effectiveness of the implementation of the demand driven system, including policies regarding the allocation of sub-bachelor and postgraduate places**

The demand driven system was introduced to encourage increased higher education participation - particularly among groups who are traditionally under-represented at universities - enhance student choice and opportunities, boost the number of graduates to meet the demands of the workforce, fuel economic development, and ensure that Australia remains economically competitive at the global level. The decision to introduce the demand driven system was accompanied by the setting of two attainment targets – that by 2020, 40% of the 25-34 year cohort should have a bachelor degree qualification or higher, and 20% of undergraduate enrolments should be from disadvantaged backgrounds.

Under the demand driven system universities may enrol as many undergraduate students in Commonwealth supported places at bachelor level as they wish in all disciplines except medicine. This deregulated approach to allocating places is intended to promote competition between universities and let the market deliver a better match between the supply and demand of university places. The system applies only to bachelor degree places – funded places at the sub-degree and postgraduate degree level remain subject to Commonwealth controls.

The demand driven system was announced in 2009 and the cap on over-enrolments for funded places was progressively relaxed prior to implementing the new system in 2012. The first cohort of students will not graduate until late 2014 and the system’s full impact will not be apparent for several years. However, many universities responded quickly when the policy was announced and rapidly grew their undergraduate student enrolments prior to 2012 in anticipation of the introduction of the new system. Thus, while there is limited data relating to the post-implementation phase, the sector’s early response provides additional insights in assessing the effectiveness of the reforms. The evidence that is available, both before and during the introduction of the demand driven system, suggests that the system is achieving its objectives as discussed below.

RUN strongly supports the continuation of the student demand driven system. The system has assisted its universities to consolidate and build, and is vital in further developing educational opportunities for delivery to relevant communities. RUN universities’ experience both during the growth period prior to the introduction of the demand driven system and from 2012 is that the flexibility to make on-going adjustments to student load and discipline mix based on changing regional circumstances is vital to meeting the needs of students and other stakeholders and is essential in developing and maintaining a dynamic, responsive, market-focused higher education system.

**Sub-bachelor and postgraduate places**

While the announcement by the Government on 22 November 2013 of additional sub-bachelor and postgraduate coursework places is welcome, RUN considers that more needs to be done to increase the number of students studying a range of disciplines in regional areas. The current inflexibility regarding the allocation of sub-bachelor and post-graduate places remains a major impediment to allowing universities to respond to the needs of their students, regional communities and other stakeholder groups.

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7 Andrew Norton, 2013, *Keep the Caps Off!*_ Report for the Grattan Institute
We therefore strongly endorse the proposition that the demand driven system be extended to sub-bachelor places. This extension would allow universities to be more responsive to the needs of less academically prepared students; for example, through mechanisms such as SCU College established with support from a Structural Adjustment Fund (SAF) grant, as well as enhancing these students prospects for successful study. The current policy framework for sub-bachelor places discriminates against disadvantaged students who are more likely to gain from a supported learning environment and perpetuate a pattern of directing a disproportionate share of funding towards high and medium-SES students.

RUN also considers that it is important to address inequities in the distribution of Commonwealth supported postgraduate coursework places that have developed over time. The allocation of these places is a function of historic circumstance and lacks transparency and coherence. At the national level, around 40% of postgraduate coursework places were supported by the Commonwealth in 2011 but the proportion of supported coursework places at individual institutions ranged from 3% to 88%.

There is currently no effective mechanism to address this situation which disadvantages postgraduate students at universities with a low share of supported postgraduate places. The lack of such places means these universities are less attractive to students and universities’ capacity to undertake systematic long-term planning pending the outcome of negotiations with the Commonwealth over places is compromised. For example, there were delays in finalising the 2014-2016 funding agreements such that universities were unsure of their postgraduate enrolment quotas until late November 2013 and there is continuing uncertainty regarding their load allocations relating to two year graduate teaching programs. The current inflexibility regarding the allocation of postgraduate places funded by the Commonwealth remains a major impediment to allowing universities to respond to the needs of their students, regional communities and other stakeholder groups.

RUN would be pleased to work with the Government on developing the appropriate policy framework around improving the allocation of supported postgraduate places. As a matter of principle, RUN considers that the outcome should deliver additional places to areas of specific skills shortage and student demand, noting that regional Australia may have specific skill needs that are not necessarily reflected at a national level.

While noting that Australia is 25th out of 29 advanced economies for public investment in universities as a percentage of GDP, RUN recognises that the Government currently faces serious budgetary constraints. If the Government considers it necessary to re-examine the mix of government / private contributions to higher education or other modifications to the student loans scheme, the examination should carefully consider the impact on any change on low SES, regional / rural, indigenous participation. If lowering the repayment threshold is contemplated, careful modelling will be required to determine the impact on various professions. A relatively high proportion of students at RUN universities enrol in nursing, teaching and social work programs and we are concerned that graduates in these fields may be disproportionately disadvantaged by such a move, particularly those in single income households.

**TOR 2: Early evidence on the extent to which the demand driven system is:**

a) increasing participation;

Analysis of applications, offers and enrolments data reveals that the demand driven system is improving participation. Applications and offers data are leading trend indicators and show
significant growth since the system was announced in 2009. The following table (Figure 1) uses data produced by the Department of Education to examine offers made to applicants who applied directly to universities and for those who applied through Tertiary Admissions Centres (TACs). The results reveal that direct offers increased markedly, up by 27.7% across the sector and by 62.5% at RUN universities between 2010 and 2013, the first year for which data is available. Offers made to TAC applicants also grew across the sector, with the strongest growth occurring in 2010. Not surprisingly, the rate of growth in offers to TAC applicants at RUN universities has been declining since 2010 given their massive growth in offers to direct applicants.

**Figure 1. Growth in offers made to direct applicants and through the TAC system, 2009-2013**

<table>
<thead>
<tr>
<th></th>
<th>2009&lt;sup&gt;2&lt;/sup&gt;</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Change % 2009-2013</th>
<th>Change % 2010-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. All direct offers</td>
<td>52,423</td>
<td>56,427</td>
<td>58,649</td>
<td>66,969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Increase on previous year</td>
<td></td>
<td>7.6%</td>
<td>3.9%</td>
<td>14.2%</td>
<td></td>
<td>27.7%</td>
<td></td>
</tr>
<tr>
<td>3. All TAC offers</td>
<td>191,068</td>
<td>204,794</td>
<td>211,485</td>
<td>222,476</td>
<td>224,782</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Increase on previous year</td>
<td></td>
<td>7.2%</td>
<td>3.3%</td>
<td>5.2%</td>
<td>1.0%</td>
<td>17.6%</td>
<td>9.8%</td>
</tr>
<tr>
<td>5. RUN direct offers</td>
<td>7,896</td>
<td>8,966</td>
<td>10,427</td>
<td>12,833</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. RUN increase on previous year</td>
<td></td>
<td>13.6%</td>
<td>16.3%</td>
<td>23.1%</td>
<td></td>
<td></td>
<td>62.5%</td>
</tr>
<tr>
<td>7. RUN TAC offers</td>
<td>13,100</td>
<td>14,167</td>
<td>14,861</td>
<td>15,238</td>
<td>14,209</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. RUN increase on previous year</td>
<td></td>
<td>8.1%</td>
<td>4.9%</td>
<td>2.5%</td>
<td>-6.8%</td>
<td>8.5%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Notes:
1. Offers to direct applicants are not available prior to 2010.
2. 2010 - The University of Melbourne did not submit data on direct applications or offers in 2010.
3. 2012 - includes revised figures for direct applications and offers for Edith Cowan University. Therefore total direct applications and offers in 2012 will not match figures published in the 2012 Undergraduate Applications, Offers and Acceptances Report.

There is difficulty combining the indirect and direct applications for each university as some double counting is involved. However, RUN universities have a much higher proportion of direct applications and offers than the sector as a whole accounting for 50% and 47.5% respectively in 2013 before adjusting for double counting. By contrast, the sector-wide share of direct applications and offers was 23%. Offers made to applicants who applied directly to RUN universities in 2013 comprised the following percentages of the total offers (before adjusting for double counting): SCU (69%), CQUniversity (19%), UNE (67%), UB (24%), USQ (49%) and USC (25%).

The increase in direct applications to RUN universities reflects the increasing focus on flexible, distance and online learning. In addition, an increasing proportion of school leavers as well as mature age students are applying directly to universities. This may in part reflect the outreach by universities to schools as a result of the Higher Education Participation and Partnerships Program and other initiatives.
Growth in applications and offers as a result of the demand driven system translated into growth in higher education enrolments. Following years of relative stability, enrolments lifted from 2009. Commencing, domestic enrolments grew by around 17% and 15% across the sector and at RUN universities respectively between 2009 and 2012, and by almost 28% between 2008 and 2012 – see Figure 2.

**Figure 2: Growth in commencing, domestic enrolments at public universities, 2005-2012**

<table>
<thead>
<tr>
<th>All public unis</th>
<th>Commencing, domestic enrolments by year</th>
<th>% increase 2008 - 2012</th>
<th>% increase 2009 - 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,005 2,006 2,007 2,008 2,009 2,010 2,011 2,012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% increase on previous year</td>
<td>251,797 256,273 263,426 267,543 291,375 310,471 317,030 341,385</td>
<td>1.8% 2.8% 1.6% 8.9% 6.6% 2.1% 7.7% 27.6%</td>
<td>17.2%</td>
</tr>
<tr>
<td>RUN</td>
<td>24,751 25,061 26,619 27,002 29,982 31,906 32,704 34,544</td>
<td>1.3% 6.2% 1.4% 11.0% 6.4% 2.5% 5.6% 27.9%</td>
<td>15.2%</td>
</tr>
</tbody>
</table>

Across Australia, it is estimated that almost 1.2 million people in Australia aged between 15 and 64 years (around 7.5% of the population cohort) were participating in higher education as at May 2013<sup>8</sup>. Attainment of higher education qualifications is also increasing. Between 2001 and May 2013, it is estimated that the share of the population with a bachelor degree or higher qualification increased from 17.0% to 24.6% among 15-64 year olds<sup>9</sup>. This phenomenon largely preceded the introduction of the demand driven system and reflects the trend that has been evident over past decades. Higher education attainment rates are expected to increase as the demand driven system cohort starts to graduate.

b) improving access for students from low socio-economic status backgrounds and rural and regional communities;

Applications, offers and enrolments data provides evidence that the demand driven system is encouraging larger numbers of students from low SES backgrounds, rural and regional backgrounds and Indigenous students to access higher education than ever before. This is a major achievement. The demand driven system is helping to raise educational aspirations by offering pathways to study for people who might not otherwise have considered higher education as a realistic proposition. Changing aspirations takes time so it is important that the demand driven system is maintained.

The data used in the following analysis is drawn from the Department of Education’s reports on applications, offers and acceptances and from a special request for enrolments data concerning trends in domestic, commencing, bachelor student enrolments at RUN universities between 2009 and 2012. The enrolment data, with its focus on commencing students, enables trends to be detected more readily and provides a clearer indication of the changes in the student body arising from the introduction of the demand driven system.

i. Students from low SES backgrounds

Higher education access and participation rates among low SES students have always been significantly lower than those from more affluent backgrounds, and addressing this issue was an important consideration in establishing the demand driven system. The reforms are working – there has been substantial growth in access and participation rates for students from low SES backgrounds, outpacing growth by students from medium and high SES backgrounds: between

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<sup>8</sup> ABS (November 2013) Education and Work May 2013, publication number 6227.0

<sup>9</sup> Ditto
2009 and 2013, offers to low SES students applying through the TAC system grew by 21.7% compared with 18.9% for medium SES applicants and 13.8% for high SES applicants.\(^\text{10}\)

RUN universities play an important role in boosting low SES participation. They attract a significantly higher proportion of their students from low SES backgrounds, reflecting the demographic characteristics of their communities. In 2012, more than thirty per cent of RUN universities’ commencing, domestic bachelor students were from low SES backgrounds and between 2009 and 2012, and depending on the methodology used, low SES enrolments grew by around 18 to 26% – see Figure 3. RUN universities also have a high proportion of their student population who are ‘first in family’ to higher education. For example, around 50% of commencing domestic students at the University of the Sunshine Coast are the first in their immediate family to enrol in higher education.

**Figure 3. Growth in low SES enrolments (commencing, domestic, bachelor students) at RUN universities, 2009 -2012, using postcode measure**

<table>
<thead>
<tr>
<th>Enrolments by commencing, domestic, bachelor students from low SES backgrounds at RUN universities</th>
<th>2009(^1,3)</th>
<th>2010(^1,3)</th>
<th>2011(^1,3)</th>
<th>2012(^1,3)</th>
<th>Growth between 2009 and 2012 (%)(^1,3)</th>
<th>Growth between 2009 and 2012 (%)(^2,3)</th>
<th>Low SES enrolments as share 2012(^2,3,4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RUN enrolments</td>
<td>5,124</td>
<td>5,562</td>
<td>5,684</td>
<td>6,176</td>
<td>6,042</td>
<td>6,461</td>
<td>17.9%</td>
</tr>
</tbody>
</table>

(1) Low SES data for 2001 onwards are based on 2006 Census SEIFA
(2) Low SES data for 2011 onwards are based on 2011 Census SEIFA
(3) Low SES postcode measure is based on the students’ postcode of permanent home residence, with the SES value
Education and Occupation Index for postal areas, where areas in the bottom 25% of the population aged 15-64 being classified as low SES.
(4) Low SES enrolments as a share of commencing, domestic, bachelor enrolments in 2012

Across Australia, despite recent improvements, low SES students remain under-represented in higher education, comprising 18.7% of TAC applicants (2013) and 17.1% of domestic undergraduate enrolments (2012) compared with their overall share of the population of 25%. (The enrolments figure is not limited to commencing students.) The demand driven system will be crucial in enabling growth to continue and to further enhance opportunities for people from low SES backgrounds.

**ii. Students from regional backgrounds**

Students from regional backgrounds are also under-represented at university. In 2013, people from non-metropolitan areas comprised 27.4% of the population but only 23.7% of applicants\(^11\). They also comprised 22.3% of commencing, domestic undergraduate enrolments in 2012 compared with their population share of 27.9%.

RUN universities play a critical role in higher education provision for students from regional backgrounds. Students from regional backgrounds make up around half the commencing, domestic, bachelor students at RUN universities and, depending on the methodology used, their numbers grew by 12-13% between 2009 and 2012 – see Figure 4.

\(^{10}\) Department of Education, 2013 Applications, offers and acceptances 2013, page 29
\(^{11}\) Ditto, page 33
However, there is a significant gap between the attainment levels of people in regional areas compared with their metropolitan counterparts. The greater the distance from Australia’s capitals, the lower the level of post-school education attainment. In 2011, 31% of people aged 25-64 who lived in major cities held a Bachelor degree or above, compared with about half that in regional Australia; 18% of Australians living in inner regional areas had a degree, declining to 15% for outer regional areas and down to only 12% for very remote areas.12

iii. Students from Indigenous backgrounds

RUN universities also play an important role in higher education provision for Indigenous students. In 2012, Indigenous students comprised 2.6% of commencing, domestic, bachelor students at RUN universities (compared with Indigenous Australians representing 2.5% of the overall Australian population, and 1.5% of the working age population, according to the 2011 census). Their numbers increased by 18.5% over the period 2009 to 2012 to reach a total of over 500 students.

Will strong growth continue?

The growth in higher education enrolments in recent years was greater and more rapid than expected, and resulted in higher than expected calls on the budget. There is therefore considerable interest in determining whether this will continue or whether it will ease relatively soon. While it is still very early, there are some indications that the rapid growth evident in recent years may be starting to ease.

As noted, there has been some easing of growth in the number of applications and offers made through TACs for 2013 although there has been offset by growth in direct applications and offers. The latest Department of Education report notes that combined unique offer applications increased by 2.3%13 in 2013 and that combined unique offers, after adjusting for double counting grew by 4.2%.14

It is probably too early to determine whether the apparent easing in growth is real, a short-term anomaly, or merely reflects the trend away from TAC admission processes to direct applications. However, if real, concerns from some quarters that the demand driven system is driving unsustainable growth may prove groundless.

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12 ABS 2011 Census community profiles
14 Ditto, page 48
c) meeting the skill needs in the economy;

Regional Australians comprise a significant proportion of our population – as at June 2012, 34% of Australia’s population (7.7 million people) resided outside greater capital city areas and 30% lived outside major cities\(^{15}\). Despite common misconceptions, the population of regional Australia is rising. Between 2007 and 2012, the population outside of the major cities rose by 6.6%\(^{16}\) and by 2026 is expected to grow by 26% outside capitals\(^{17}\). There is a pressing need to increase participation by regional Australians at university to provide sufficient professionals to work in regional Australia, enable regional industries to diversify and grow, boost productivity and enable regional Australia to participate fully in the modern world economy.

The best way to get professionals to work in the regions is to train them in the regions – 60-80% of RUN graduates are employed in regional Australia a few months after graduation\(^{18}\). Many of these graduating students will stay in regional areas, contributing socially and economically - around two thirds of graduates remain in regional areas for employment five years after graduation\(^{19}\).

The demand driven system has enabled RUN universities to put on new courses in areas such as allied health or health science (CQUniversity, SCU, UB, UNE), engineering (SCU; USC), social welfare (SCU, UNE), law (CQUniversity, USC) and agrifood (UNE). These programs will increase the number of professionals trained in and working in the regions. Where high demand courses have been introduced (e.g. allied health at CQUniversity), the proportion of academically well prepared students remaining in the community, rather than leaving for study purposes, has increased.

RUN universities have built new infrastructure, largely funded by the Government, to support this growth. Growth in student numbers must be continued to make full use of these facilities.

RUN universities demonstrate how the flexibility conferred by the demand driven system has enabled them to respond to industry demands and changing local economic conditions. For example, UNE has used Structural Adjustment funds (SAF) and worked in partnership with TAFE New England to introduce new degrees from 2014 that combine practical, vocational skills with university studies, developed with input from industry. Courses being offered include a Bachelor of Agrifood Systems, a Bachelor of Health Practice and a Bachelor of Community Services. Similarly, UB, with SAF support, has introduced a suite of “applied degree” programs with nested VET qualifications that are offered, on site, a six of the regional TAFE Institutes in Victoria.

In central Queensland, the recent slowdown in investment in new mining projects and the reorientation of CQUniversity’s programs have been reorientated to cater for regional needs in areas such as allied health, including sonography, physiotherapy, medical imaging and paramedic science. School-leaver enrolments in health-related programs have grown as a share of the University’s commencing school-leaver enrolments from 18% in Term 1 2009 to 29% in Term 1 2013.


\(^{16}\) ABS (2013) Regional Population Growth, Australia, 2012 cat. No 3218.0

\(^{17}\) ABS (2008) Population Projections, Australia, 2006 to 2101 cat. No 3222.0 (Based on Series B projections


In regional Victoria, the recent establishment of Federation University Australia through the union of the Monash University Gippsland Campus and the UB came about as a result of the need to lift higher participation rates in regional Victoria, especially in the Gippsland region. This has allowed for the introduction of new courses at the Gippsland Campus in 2014 and the development of increased pathways between the Campus and the TAFE Institutes in Gippsland.

The former quota based enrolment system essentially limited a region’s access to educational opportunities to historic norms, and required extensive consultation on the part of the university to achieve real changes to the status quo. The demand driven system allows universities far more flexibility to respond rapidly to changing regional needs, and this is paying dividends in terms of increasing regional participation, improving access and meeting the changing demands of regional students and employers.

TOR 3: The extent to which the reforms have encouraged innovation, competition, diversity and greater responsiveness to student demand including the development of new modes of delivery such as online learning

The demand driven system encourages universities to respond to student interests, engage with their extended community (domestically and internationally), and to innovate. Universities are enhancing their online provision, including MOOC offerings, entering new collaborative ventures, and expanding their course offerings to strengthen their position, grow their market share and develop new niche markets. For example, UNE has expanded its online delivery of programs. SCU introduced new and/or substantially revised courses in 2013 (including Bachelor of Health Science and Bachelor of Social Welfare as well as commencing a new discipline (Bachelor of Civil Engineering). CQUniversity has introduced a range of new programs such as an online three-year Bachelor of Laws; in addition to programs such as medical sonography, chiropractic science and programs that meld traditional offerings with new discipline areas relevant to the needs of regional industry, such as the accident investigation and forensics program. UB has pioneered the offering of its suite of applied degree programs through online and flexible delivery and through the utilising the technology and infrastructure of regional TAFE Institutes in Victoria.

TOR 4: Evidence of any potential adverse impacts on the quality of teaching and of future graduates

There is no evidence that the demand driven system is having any adverse impact on the quality of teaching. A system that encourages competition and enables universities to respond quickly to students’ expectations provides strong incentives for universities to maintain and enhance their teaching quality. There is no compelling evidence that the demand driven system is causing the quality of graduates to decline – indeed, as previously noted, we are yet to see graduates from the demand driven system.

However, a goal of the demand driven system is to increase higher education participation rates so this will inevitably mean that there will be students who are accepted who would not have been admitted in the past, and some of these students will be less well prepared for university study. In determining which students should be accepted, RUN universities take account of the likelihood of success and they believe that the quality of the output should take precedence over the input. We firmly oppose the introduction of a mandatory and arbitrarily specified minimum ATAR rating which some commentators have suggested is necessary to ‘maintain standards’. Furthermore, as only
half our students are admitted on the basis of a TAC application, this proposition is irrelevant for many of our students.

By focusing on the quality of the outputs (graduates), RUN universities focus on what is important to students and future employers, and on how they can add value. Key measures of success include graduate satisfaction levels, employment outcomes and adjusted attrition and retention rates. On these measures, the performance of RUN universities and their graduates is encouraging. According to the Good Universities Guide\textsuperscript{20}, RUN universities rate highly for entry flexibility, access by equity groups and access by Indigenous students. RUN graduates tend to rank their universities as average or above average for teaching quality, generic skills and overall satisfaction. In terms of employment outcomes, RUN graduates rank about average in terms of obtaining a full time job and a little below average for starting salaries (incomes in regional areas tend to be lower than those in metropolitan areas).

Adjusted attrition and retention rates (which move conversely with one another) and progression rates provide an insight into the likelihood of student success. Research has demonstrated that well supported low SES and first-in-family students can perform as well as students from more privileged backgrounds.

Over the period 2005-2010 (the most recent published data) there has been a general improvement in adjusted attrition and retention rates across the sector, suggesting that universities are taking steps to address drop out rates. While the adjusted attrition and retention rates of regional universities are also improving their performance does not appear to be as strong as the sector as a whole. Regional universities have a high proportion of mature age, part-time, external students who exhibit different enrolment patterns and face a greater range of commitments than their younger counterparts. Many of them are well prepared and are admitted on the basis of prior tertiary study. Some will choose to defer study and may appear to have dropped out for the purposes of the attrition data even when this is not the case. This may over-estimate wastage in the system, particularly where large numbers of external students are involved. Other students may indeed discontinue, but for reasons unrelated to the quality of their educational experience.

TOR 5: Measures being taken by universities to ensure quality teaching is maintained and enhanced in the demand-driven system

TEQSA is and will continue to be an important vehicle for ensuring the quality of Australia’s higher education system. The recommendations made by Professor Kwong Lee Dow and Professor Valerie Braithwaite in their recent review of the regulatory burden and the Government’s subsequent commitments should ensure that TEQSA remains an effective regulatory body while reducing unproductive red tape.

TOR 6: Whether less academically prepared students are receiving the support they need to complete the course of study to which they have been admitted

As noted, RUN universities have comparatively high numbers of students from backgrounds where they are less well prepared for university and they are very experienced in supporting less academically prepared students. A variety of support mechanisms is provided by our universities to enrolled students who are less well prepared for university.

A critical factor in the success of these initiatives is the Higher Education Participation and Partnerships Program (HEPPP). HEPPP funding is used to improve participation, retention and completion rates by students from low SES, regional and Indigenous backgrounds. Any reduction

\textsuperscript{20} The Good Universities Guide 2014 Hobsons Press
to HEPPP funding would have serious consequences for the capacity of regional universities to raise the educational aspirations of their communities and to deliver high quality education in a supportive environment. For this reason, RUN universities are encouraged by the Government’s recent announcement regarding allocations under the participation element of the program in 2014.

RUN institutions have a variety of initiatives already in place including secondary and post-secondary outreach, entry transition, orientation programs, mentoring, and support programs that raise aspirations, provide access and increase participation in higher education. They also have equal opportunity programs including financial scholarships, disability support, study supplementation and targeted equity group support programs.

*Promoting retention among undergraduate students*

RUN universities utilise various mechanisms to encourage student retention. For example, one of the features of UNE’s retention strategy is an early alert and automatic wellness engine which identifies students who are at risk of disengagement and triggers immediate intervention and the offer of support.

USQ’s Student Personalised Academic Road to Success (SPARS) program provides personalised academic learning support and activities to all undergraduate students. Underpinning this are the analytics supporting students at the academic level, and reporting and decision-making at the academic and institutional levels.

*Tertiary preparation and enabling programs*

RUN universities are leaders in the provision of enabling programs. In 2012, 32% of domestic commencing students enrolled in enabling programs did so at a RUN university, compared with 9% of enrolments overall. From 2013, two of the six RUN universities will be dual sector institutions offering extensive VET and higher education programs.

RUN universities offer a range of preparation programs in addition to those mentioned earlier in the submission. USQ has offered a ‘by-distance’ tertiary preparation program for almost 25 years through the Open Access College and provides access on successful completion to all the university’s undergraduate programs. The OAC also offers Foundation Diplomas that provides successful students with credit into a second year of undergraduate study Programs are also offered by USQ’s Centre for Australian Indigenous Knowledges, including a pre-tertiary Indigenous Higher Education Pathways Program (IHEPP).

UNE’s offers a number of successful pathways and enabling programs, which are important contributors to the achievement of its equity objectives. Its offerings include a pathways enabling course, the TRACKS Tertiary Preparation Program and a Teacher Education Enabling program.

UB has implemented a range of initiatives collectively called “Succeed@UB” to assist regional, remote, low SES, other equity groups and less academically prepared students to succeed at university. These include, UBReady, a four-day course intended to assist first year student in their university studies; mentoring; support from peers; and a drop-in service to answer questions about writing and study skills.