



# Better university funding arrangements: targeting growth to needs

## Overview

Under the Job-ready Graduates Package (the package), and subject to the passage of legislation, the Australian Government will fund more Commonwealth supported places (CSPs) at universities from 2021.

Universities will be allocated additional Commonwealth Grant Scheme (CGS) funding for each funding agreement period, beginning in 2021. The funding will be a percentage increase on non-medical bachelor (non-designated) funding, based on the proportion of students at campuses in regional; high-growth metropolitan; and low-growth metropolitan areas. Funding will increase by:

- 3.5 per cent a year for regional campuses,
- 2.5 per cent a year for campuses located in high-growth metropolitan areas.
- 1 per cent per year for campuses located in low-growth metropolitan areas.

This additional growth in places allows universities in regional and high-growth metropolitan areas to match the needs of their communities and responds to the findings of the National Regional, Rural and Remote Tertiary Education Strategy (Naphthine Review) to increase the tertiary education opportunities for people in regional and remote areas. Higher education attainment rates are lower in regional areas and this measure reflects the Government's ambition to reduce the disparity in attainment with the cities.

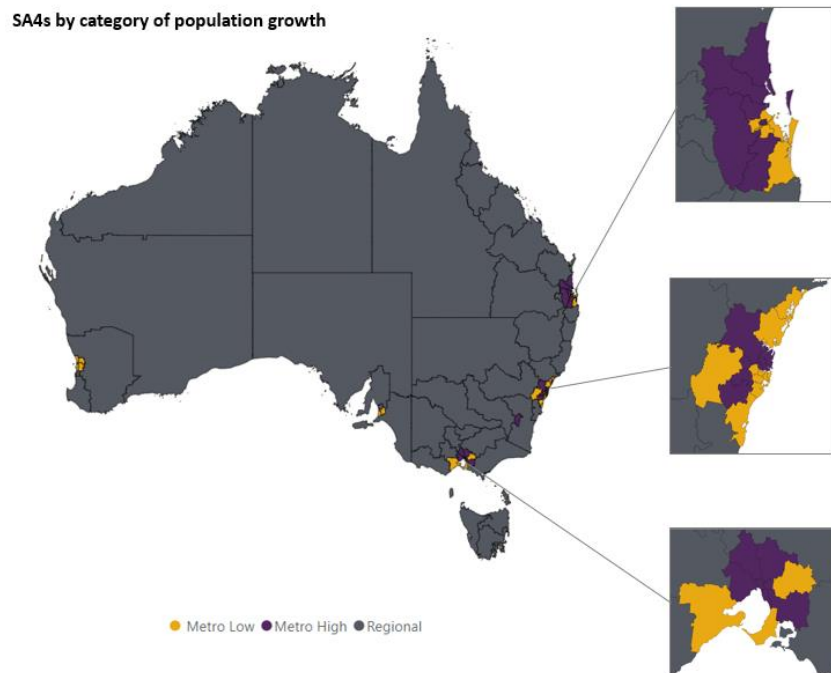
Universities will not need to apply for this funding, it will be calculated based on the most recent available student load data, and the most recent projections for population growth across statistical area level four (SA4) areas as published by the Australian Institute of Health and Welfare.

Given the introduction of the funding envelope, the funding increase will be based on providers' current non-designated minimum base grant amounts (MBGAs) and will be included in CGS funding agreements.

Note: this funding will be applied on a "commencing" basis – that is, it is calculated to allow for a 3.5 per cent increase in *commencing* student load at regional campuses. By 2024 *total* funding for bachelor places at regional campuses will increase by 3.5 per cent per year.

The methodology for calculating the funding is based on the student load each university has in the three categories of campus – those in regional areas, those in high-growth metropolitan areas, and

those in low growth metropolitan areas. The growth rates have been determined at the SA4 level, with high growth metropolitan areas having higher than average growth projected over the funding agreement period.



### What does this policy mean for students?

This funding will ensure more university places are available to prospective students in regional and high-population-growth areas of major cities. In particular, it provides substantial growth in funding for regional university campuses, with the intention that the participation and attainment rates of regional students will increase relative to metropolitan Australia.

### Frequently asked questions: students

#### I live in a metropolitan area, but I want to study online at Charles Sturt University. Will I be eligible for one of these new places?

Yes. The funding relates to the campus location rather than the origin or the location of the student.

#### Do I have to move to the country to go to university?

No. Four in five students will study on metropolitan campuses. In addition, many regional universities have substantial online study opportunities.

### Frequently asked questions: providers

#### What is the definition of a high-growth metropolitan campus?

Campuses will be determined to be situated in a high-growth metropolitan area if they:

- are situated in a metropolitan SA4

- That SA4 has a projected population growth rate for 15 to 29 year olds that is above the average for all metropolitan SA4s, averaged over a three year funding agreement period.

## **What will happen if there is insufficient student demand to fulfil the growth funding?**

Funding increases will be based on the student load for the previous period. Within a funding agreement period, universities will be able to use growth funding across all campuses and course levels up to their funding envelope cap.

However, if during that period a university does not increase its student load by the amount of the growth funding it received for that period, the funding growth rates for the following funding agreement period will be lower than for universities who did increase their student load. For example, load at regional campuses would increase by 2.5 per cent, load at high-growth campuses would grow by 1 per cent, while load at low-growth campuses would not be increased. Funding for all universities would grow by at least CPI.

Note that the most recent student load data will be used to make these calculations. That is, it may only be possible to use two years of student data to assess a university's growth over the three year period.

## **How will the notional bachelor funding operate within the funding envelope?**

While universities will be able to use CGS funding within the envelope for sub-bachelor, bachelor, or postgraduate courses, a "notional bachelor funding", based on current non-designated MBGAs (subject to the effects of the cluster redesign), will be maintained for the purposes of calculating additional places growth funding.

## **If a university does not reach its notional bachelor funding, will it still receive the growth funding?**

The funding calculation will continue to operate in a similar way to current arrangements. That means that if a university is "under-enrolled" compared to its maximum envelope amount, it will receive CGS funding only for the students that are enrolled. The envelope (like the current MBGA) is a cap on funding, not a minimum level or a guarantee.

## **Will these changes affect private universities and other higher education institutions?**

This policy applies only to Table A universities. There is other additional funding in the JRG package that applies to non-university providers and private universities.

## **Why are the funding increases higher for regional areas which have lower levels of projected population increase compared to the high-growth metropolitan areas?**

The funding increases for regional campuses reflects the Government's ambition that students in regional Australia will increasingly participate in higher education, and attain higher education qualifications at a higher rate than is currently the case.

As noted in the final report of the National Regional, Rural and Remote Tertiary Education Strategy, the bachelor or higher attainment rate in regional Australia is significantly lower than in metropolitan areas. Those who grow up in regional, rural and remote (RRR) areas are less than half as likely to gain a bachelor and above qualification by the time they are 25, compared to those from metropolitan areas. People living in RRR areas account for 27.3 per cent of people aged 15-64 years, but only 21.5 per cent of domestic undergraduate enrolments.