

## Northern Australia Universities Alliance – Managed Growth Targets and Needs Based Funding Submission

### Managed Growth and Needs Based Funding

The Northern Australia Universities Alliance (NAUA) welcomes the opportunity to provide feedback on the implementation issues for the Managed Growth and Needs Based Funding System. The NAUA is a formal collaboration between Charles Darwin University, James Cook University and CQUniversity; those regional universities with their primary footprint in Northern Australia.

The Northern Australia Universities Alliance (NAUA) is committed to advancing the educational and economic future of Northern Australia. The Accord has called for a "system-wide" approach to funding, yet the current consultation on Managed Growth Funding (MGT) and Needs-Based Funding (NBF), without a replacement for the Job-ready Graduate scheme, appears disjointed. We recommend adopting a holistic approach to the design and development of a sustainable higher education funding model.

- Funding Floor:** NAUA underscores the need for a sustainable and equitable funding system to ensure the long-term viability of regional universities embedded in the Northern Australian landscape. Establishing a funding floor is crucial to maintain comprehensive educational services despite the regular fluctuations in enrolment and economic conditions experienced in the north. This funding floor must be maintained until universities in Northern Australia achieve enrolment levels that align with both the Accord targets and Northern Australia workforce demands.
- Preserve Regional Loading:** It is essential to maintain a form of Regional Loading to acknowledge and compensate for the unique costs associated with operating in regional areas. This includes the additional expenses related to online delivery from regional campuses, ensuring that universities in these areas can continue to provide high-quality education and support services despite geographic and logistical challenges.
- Flexibility in Funding Allocation:** Funding mechanisms must be adaptable to address the specific workforce, and equity needs of universities in Northern Australia, which operate in thin markets and offer a comprehensive course profile relevant for our communities. NAUA supports funding models that account for part-time and full-time student statuses, mature-age students, and the particular costs associated with supporting students from underrepresented backgrounds. We advocate for allocating Needs-Based Funding on a per-student basis rather than an Equivalent Full-Time Student Load (EFTSL) basis to ensure sufficient support for each student.
- Support for Aspiration Building and Outreach Programs:** Beyond the Needs Based Funding Allocation, it is essential that future funding models recognise the importance of supporting access and outreach activities that foster aspiration among underrepresented student groups, particularly in Northern Australia. These initiatives will be imperative to reaching the ambitious participation targets set out in the Accord Final Report. Currently, such activities are funded via the Higher Education Participation and Partnership Program (HEPPP). With the introduction of a new funding model, it will be important for this element of the HEPPP program to continue, as it is not recognised in the Needs Based Funding model as proposed and is vital for increasing participation among equity students.
- Representation of Diverse Student Profiles:** NAUA strongly advocates for policies that reflect the complex and diverse student profiles typical of Northern Australia universities, including school-leavers, mature-age students, part-time students, and those entering through various pathways

such as tertiary or VET (Vocational Education and Training) programs. Policies must address the unique challenges these students face to ensure equitable access to higher education.

6. **Equity Targets, and Remote Challenges:** Achieving national equity targets and supporting regional development requires a focused effort to boost engagement and success rates in Northern Australia. Reforms must provide a realistic pathway to meet the equity goals set out in the Accord, with careful consideration of their potential unintended consequences for Northern Australia. Policies should be designed to effectively address regional needs and mitigate any adverse impacts. In particular, remote and very remote areas face unique challenges in providing basic educational access and support, where achieving educational equity can be most transformative. Needs-Based Funding is crucial in these regions due to the high proportion of students with multiple equity markers. Funding models must be carefully structured to ensure these students receive the support they need to achieve equitable educational outcomes.
7. **Needs Based Funding Provisions:** The consultation paper on Needs-Based Funding suggests this funding should be directed towards new initiatives with specific reporting requirements, rather than services universities are already obliged to provide. This overlooks the insufficiency of current base funding to cover support services for higher-need student cohorts, as highlighted in the Australian Universities Accord. Needs-Based Funding should enhance and expand existing support programs rather than being limited to new initiatives. It should allow institutions to build on their current frameworks, ensuring these programs are well-resourced to meet diverse student needs. Any new funding model should address this inequity, prioritizing a success-oriented approach that provides adequate support for study completion

**Recommendations:**

1. **Implement Funding Floor:** Introduce a funding floor to ensure the sustainability of regional universities in Northern Australia by providing base funding to support comprehensive course offerings. The funding floor should be maintained until universities in Northern Australia can achieve enrolment levels that meet Accord targets and workforce needs.
2. **Maintain Regional Loading:** Ensure that Regional Loading is provided to cover the costs of operating in regional areas, including those associated with online delivery from regional campuses. This will help regional universities provide quality education and support services, addressing the unique challenges they face and promoting regional development.
3. **Flexibility in Funding Allocation:** Develop flexible funding mechanisms that consider part-time and full-time student statuses, and the specific costs related to supporting underrepresented students. Allocate Needs-Based Funding on a per-student basis rather than an EFTSL basis.
4. **Enhance Support for High-Equity Enrolment Institutions:** Develop funding models that actively support universities in Northern Australia with high levels of equity enrolments. Ensure that Managed Growth Funding and Needs-Based Funding are structured to enhance the capacity of these institutions to effectively serve diverse student populations, promote inclusive educational practices, and expand access to quality higher education opportunities.
5. **Consider Transition Agreements:** Implement transition agreements to provide stability for universities in Northern Australia during the shift to new funding models. This will help institutions adapt to changes without facing immediate financial pressures or causing changes to staffing profiles in locations that may not be able to attract talent on demand.
6. **Northern Australia Needs and Equity Targets:** Ensure that reforms are designed to effectively increase engagement and success rates in Northern Australia to meet national equity targets and support sustainable development. For these reforms to be successful, they must offer a realistic pathway for achieving the equity goals set out in the Accord. National policies should be crafted

with a keen awareness of their potential unintended consequences for Northern Australia, addressing regional disparities and promoting equitable outcomes.

7. **Focus on Basic Educational Access for Remote Areas:** Address the challenges of providing basic educational access and support for remote and very remote students, where educational equity can be transformative. Needs-Based Funding is particularly critical in these areas due to the high proportion of students with multiple equity markers.
8. **A Student Success-orientated Model:** Reform the Needs-Based Funding model to recognize the insufficiency of current base funding for support services. Allow universities to use this funding to enhance and expand existing successful support programs, rather than limiting it to new initiatives with stringent reporting requirements. Prioritize a success-oriented model that provides adequate support for underrepresented students, enabling institutions in Northern Australia to support our diverse cohorts with multiple equity markers, thus increasing retention and completion rates.

The approach to funding and support for universities cannot be viewed through a "one size fits all" lens. Each university within the NAUA holds a unique position in the higher education landscape, with distinct characteristics and challenges. It is essential to recognize and appreciate these differences, as our regional universities play a crucial role in serving their communities, fostering local talent, and addressing regional needs.

NAUA universities face unique challenges such as geographical isolation, higher operational costs, and the need to support a diverse student population with multiple equity markers. Therefore, tailored funding and policy frameworks are necessary to ensure these institutions can continue to thrive and fulfil their critical roles.

Thus, a nuanced and context-sensitive approach to higher education funding and policy is vital for addressing the specific needs of our universities. By recognizing and supporting the unique contributions and challenges of NAUA members, we can ensure that they continue to provide high-quality education, drive regional development, and play a vital role in achieving national equity targets

NAUA is committed to fostering equitable access to higher education, enhancing student success, and supporting the sustainable development of regional communities in Northern Australia. We look forward to continued engagement in this consultation process to ensure that the proposed funding models effectively support the diverse needs of our student populations, regional and remote areas.

The NAUA proposes the negotiation of long-term policy investment arrangements that align with both the Australian government's Northern Australia agenda and the Universities Accord targets. These arrangements are vital for achieving both equity and growth outcomes in the region. By securing sustained investment, NAUA aims to deliver on the intended outcomes of increasing educational engagement, success rates, and workforce readiness in Northern Australia.

NAUA looks forward to collaborating with the government to design policies and funding models that support sustainable growth and equitable access to higher education across Northern Australia.

#### [\*\*About the NAUA\*\*](#)

The Northern Australia Universities Alliance brings three universities together to support the sustainable development of Northern Australia. Universities headquartered in Northern Australia are

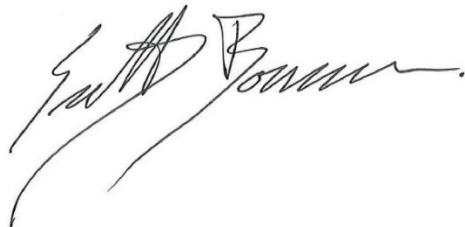
pivotal in fostering the capabilities of our communities and ensuring locally driven research and ideas shape our future.

The Alliance strives to:

- develop and retain crucial skills and education for the people of Northern Australia;
- build strategic research capabilities that support progress for Northern Australia's industries and communities; and
- shape future policy and investment for Northern Australia by Commonwealth, State and Territory governments.

Our work will inform government decision making on issues for Northern Australia and develop new collaborative research and education initiatives for our region.

Kind Regards,



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