



Professor Andrew Parfitt FTSE, FRSN, FIEAust
Vice-Chancellor and President
Chancellery
15 Broadway, Ultimo NSW 2007

T: +61 2 9514 1333
Andrew.Parfitt@uts.edu.au

PO Box 123
Broadway
NSW 2007 Australia
www.uts.edu.au

UTS CRICOS PROVIDER CODE 00099F

9 August 2024

Mr Ben Rimmer
Deputy Secretary, Higher Education, Research and International Group
Australian Department of Education
GPO Box 9880
CANBERRA ACT 2601
By email: AustralianUniversitiesAccord@education.gov.au

Dear Mr Rimmer

RE: Australian Universities Accord implementation consultation papers: New Managed Growth Funding & Needs-based Funding

Thank you for the opportunity to provide feedback on the Department of Education's Post-Budget Implementation Consultation Papers for a new Managed Growth Funding System, and Needs-based Funding.

UTS welcomed the Australian Universities Accord Final Report's recommendations for a new funding model to underpin growth and quality, recognising that the current system is complex and was set at a point of time that no longer reflects either Australian Government priorities for growth or student demand.

We are keen to work with the Australian Government to deliver a new framework for resourcing higher education that:

- funds the substantial growth in enrolments necessary to meet Australia's future skills needs;
- delivers more places for First Nations students and students from under-represented backgrounds and the supports they need to succeed;
- maintains quality learning experiences and learning outcomes; and
- ensures all places are fully funded, while respecting student choice.

However, UTS is concerned that the proposals outlined in the Implementation Consultation Papers (and in engagements with the Department of Education to better understand how the proposals would be implemented) do not yet practically explain how the transition to this future state will be achieved without further destabilising the sector. Under the leadership of the Australian Tertiary Education Commission, UTS urges the co-creation of a workable solution that delivers on the Government's growth and equity ambitions. This approach should prioritise a smooth transition from the current funding model over several years, address issues arising from the Jobs Ready Graduate Package (including the distortions in the funding levels across discipline clusters) and aim to position the sector for long-term, sustainable transformation to deliver the Australian Government's ambition.

Following are some key issues that have arisen from our initial analysis of the proposals:

- **Managed growth targets:** As a university experiencing high demand for enrolments, UTS welcomes an end to the marginal funding of additional students. We support an approach to setting and funding Managed Growth Targets (MGT) at the institutional level that takes into account current market demand and student preferences. It is well understood that the historical setting of the current Maximum Basic Grant Amount reflected a moment in time and was not implemented with any view to understanding supply and demand in a future growth scenario. Transition to a new funding model and MGTs needs to find a way to factor in market conditions and patterns of student demand that have prevailed over time.

- **Transition period and variances:** To support an orderly and sustainable transition to a future resourcing model, UTS supports a transition period up to 2030 with a guarantee that the MGT does not apply to students who commenced prior to 2025 (so that institutions will receive both government and student contribution amounts for this cohort). Beyond 2030, UTS supports a three-year rolling plan, with provision of variance in EFTSL of at least five per-cent given the complexity of predicting student enrolment patterns.
- **Student choice:** UTS welcomes the guarantee of fully funded Commonwealth Supported Places for students from equity backgrounds, including First Nations students. However, this guarantee should extend to the student's chosen university and course and abandon the ill-conceived concept of 'catchments'. The decision to pursue higher education is years in the making, and there are a range of external factors that impact this choice, particularly for students from underrepresented backgrounds. The new funding system needs to ensure it does not give some groups of students choice in their institution and others, such as low SES students, no choice in where they would prefer to study. There is no evidence that either funding incentives or place availability impacts student choices, and the implementation plan would do well to reconsider how the various objectives of the Accord are to be sequenced and delivered.
- **Needs-based funding:** UTS welcomes the allocation of Needs-based funding as a core component of funding higher education teaching and learning, and we have detailed feedback on the model that we are willing to share at the appropriate time. In the interim, we advocate for a system that includes the following elements:
 - Is designed on headcount, rather than EFTSL, calculating for cumulative disadvantage.
 - Is in addition to per student funding on a needs basis.
 - Values the self-determination of First Nations students.
 - Ensures an indirect student allocation that aims to remove structural barriers to university, including outreach programs to support widening participation.
 - Provides universities with a level of autonomy to support students, not on the basis of proxy measures such as ATAR or LSES, but instead on student needs.
 - Links with other policy frameworks, such as the Support for Students policy.

UTS values the opportunity to offer insights as part of this consultation. We also support the views expressed in submissions from Universities Australia, the Australian Technology Network of Universities and the Business Council of Australia, who all emphasise the importance of co-design and a phased implementation process.

For any further discussion regarding our submission, please feel free to reach out to me or to Danielle Woolley, Head of Government Affairs and External Engagement at danielle.woolley@uts.edu.au or on +61 477 384 980.

Yours sincerely,



Professor Andrew Parfitt
Vice-Chancellor and President