

# NEW MANAGED GROWTH FUNDING

## IMPLEMENTATION CONSULTATION PAPER

AUGUST 2024





## ABOUT THE REGIONAL UNIVERSITIES NETWORK

The Regional Universities Network (RUN) welcomes the opportunity to comment on the "New Managed Growth Funding Implementation Consultation Paper".

RUN is a national collaborative group of seven regional Australian universities: Charles Sturt University, CQUniversity Australia, Federation University Australia, Southern Cross University, University of New England, University of Southern Queensland, and University of the Sunshine Coast.

This submission reflects the positions of RUN institutions, and in doing so, also aims to represent the views of those students and communities which RUN universities serve; the one-third of Australians who live outside of metropolitan centres in Regional, Rural and Remote locations.

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# OVERVIEW

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RUN is generally supportive of the principal of Australia pursuing a managed growth system that enables long-term attainment targets to be met in such a way that facilitates a more equitable participation of students from regional and/or underrepresented backgrounds. However, RUN holds major concerns over some of the key features outlined within the New Managed Growth Funding Implementation Consultation Paper (the consultation paper), specifically: The absence of crucial detail on the new managed growth system that would otherwise inform meaningful consideration and consultation from stakeholders like RUN. Many of the questions posed by these knowledge gaps are outlined in this submission.

- The seemingly metropolitan-centric nature of key system features – such as the presumption that university admissions are primarily ATAR-based school leavers studying full time

and on-campus, leaving a less-than-clear understanding of the system’s implications for other students/study modes.

- The approach to catchment-based offerings and the erosion of student choice.
- The disregard of major factors affecting equity student mobility.
- The magnitude of administrative burden proposed under the new system.
- The unrealistic likelihood of meeting proposed implementation timeframes without significant and unintended consequences.

As such, RUN holds major concerns about the compatibility between the proposed new managed growth system and Australia’s ability to meet the targets of the Australian Universities Accord Final Report (the Accord).



# SYSTEM-WIDE POOL & MANAGED GROWTH TARGETS

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## ***Broader Issues for consideration***

RUN supports the attainment targets articulated by the Accord and is supportive of a system of managed growth that allows these targets to be achieved whilst simultaneously realising a more equitable distribution of national student load towards the historically underrepresented student cohorts and regions of Australia.

RUN notes that the system-wide pool will be designed to expand over time as to facilitate the long-term tertiary attainment target of 80% (of the working age population with a Cert III or above) by 2050. For system transparency and integrity, alongside the need for medium-longer term institutional strategic planning, RUN seeks greater clarity as to how the Department/Minister/Australian Tertiary Education Commission (ATEC) will determine the ongoing size of the system-wide pool as it evolves over time. For instance:

- What may be the frequency of revising the size of the system-wide pool?
- Will the revision process be publicly transparent and open to stakeholder consultation?
- Will there be sub-pools for regional, outer metropolitan, and/or metropolitan growth areas?
- Will the current sectoral limitations of access to timely/robust data be addressed in order for decision-makers (and institutional stakeholders) to more accurately forecast demand?
- What contingencies will be in place in the event of inaccurate forecasting, or sudden and unexpected demand?

While RUN is generally supportive of the notion of a system-wide pool, there remain significant gaps in available detail that prevent a more meaningful consideration of its full merit and/or shortcomings.

## ***Key implementation issues for sectoral transition***

RUN is generally supportive of the planned transition away from the existing Maximum Basic Grant Amount funding model and towards some form of Managed Growth Target funding. RUN views this as a mechanism to achieve the 2050 national attainment targets while growing the proportion of enrolments in regional areas and amongst equity cohorts.

RUN is optimistic that – in the long term at least – negotiated Managed Growth Target funding, coexisting with an appropriately-designed Needs-based Funding model, may allow regional universities to grow and provide local academic experiences on a more equitable footing to those larger, metropolitan universities who benefit from the scaled dividends of densely populated urban markets.

In the short-term, however, RUN holds great concerns that the arrival of the new funding regime – and the lag time in realising its fuller equitable outcomes – will be too late to avoid the impact from a significant expected shortfall in international enrolments resulting from the intended 2025 commencement of the Government's Managed Growth policy towards international enrolments. RUN is concerned that the universities most likely to be impacted by recent migration reforms as well as the changes proposed in the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024, as the legislative mechanism to administer the Government's broader managed growth policy, will be regionally-based institutions.

Regional universities host the sector's highest concentrations of domestic equity enrolments, and their ongoing viability in regional areas is directly linked to international enrolments

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at both their regional and metropolitan campuses. RUN universities have witnessed the highest proportional declines in international student revenue since COVID<sup>1</sup>, the largest reduction in international student enrolments<sup>2</sup>, the slowest post-COVID recovery in international students<sup>3</sup>, and are among the least able public institutions to absorb any further reductions in international student revenue<sup>4</sup>. ***RUN argues that any reduction in international enrolments/revenue would ultimately result in the loss of regional university jobs and local economic benefits, the closure of regional campuses, and a reduction in tertiary services and opportunities available to regional Australians.***

The Australian Universities Accord Final Report makes it clear that ***the student cohorts of regional universities – those comprising the nation’s highest concentrations equity backgrounds – must be prioritised in the pursuit of attainment targets and equity measures.*** However, the cliff face impacts of sudden interruptions to international revenue streams, before new funding streams/funding models are fully realised, will be far more significant in the regions. It is RUN’s concern that the timing misalignment between the disruptions to international student enrolments, and the arrival of new funding models, may take years for regional universities to recover from, severely undermining the priorities of the Accord. As such, RUN recommends that 2025 be a transition year for the sector to adjust to the implementation of (international) managed growth policy in 2026, to at least partially offset the fuller impacts of this highly detrimental timing misalignment.

## **I RUN RECOMMENDS**

***that 2025 be a transition year with the implementation of the international managed growth policy commencing in 2026.***

1 Department of Education, Higher Education Finance Publication, accessed at <https://www.education.gov.au/higher-education-publications/finance-publication> on 28 June 2024.

2 Department of Education, Selected Higher Education Statistics – 2022 Student data, accessed at: <https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2022-student-data> on 28 June 2024

3 Ibid.

4 Department of Education, Higher Education Finance Publication, accessed at <https://www.education.gov.au/higher-education-publications/finance-publication> on 28 June 2024.

## ***Designing a responsive system to ensure funding certainty***

RUN believes that the responsiveness of the system and the degree of certainty afforded to providers is underpinned by access to ***reliable, timely, and robust data to inform strategic decision-making and meaningful negotiations.*** Current limitations to the access of timely and robust national data will need to be carefully considered and addressed prior to the implementation of the new funding system.

Regrettably, knowledge gaps exist in the consultation paper regarding key aspects of the intent of the new system which prevent a fuller and more meaningful consideration of its proposed design. The consultation paper highlights that institutional Managed Growth Targets will be assessed and negotiated against criteria such as:

- ‘national objectives set by Government’,
- ‘national priorities’, and
- designed to ‘support the vision for (the Government’s) Future Made in Australia’ agenda.

RUN believes that the Managed Growth Targets should be measured solely against the National Tertiary Education Objective. Given the presumptive imperative upon institutions to set short, medium and long-term strategic decision making and planning against these important criteria, RUN would value further information regarding:

- How are ‘national priorities’ and ‘national objectives set by Government’ determined, how frequently will they evolve/update, who informs them (e.g., Jobs and Skills Australia, ATEC, Defence etc...) and how will these be formally communicated to universities so that they may respond most effectively?
- What consideration is given to the misalignment that often exists between

# SYSTEM-WIDE POOL & MANAGED GROWTH TARGETS

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national priorities/objectives and regional priorities/objectives?

- Are there any current examples of Table A providers/offers operating outside of national priorities and objectives?
- What safeguards are in place within the system to prevent 'national interest' being a proxy to political interest?
- Noting the lack of bipartisan support for the Government's 'Future Made in Australia' agenda, will the system be flexible and robust enough to adapt to a future change in Government or Government priority?

RUN welcomes the consideration of individual university goals and missions in the setting/negotiation of respective Managed Growth Targets. However, RUN seeks greater clarity on how this process will be managed and assessed, given the somewhat subjective nature of university goals/missions that can make them difficult to quantify and weight as a formal assessment criterion. RUN would also question whether ATEC, the Minister and/or the Department may seek influence over the articulation of an institution's goals and missions, or will universities retain their autonomy to define their own goals and missions in concert with their own respective councils and community stakeholders? RUN would strongly advocate that universities themselves, in consultation with their stakeholders, retain the autonomy to determine their own goals and missions.

## **I RUN RECOMMENDS**

*that universities retain the autonomy to determine their own goals and missions.*

Other considerations for greater system responsiveness and funding certainty for providers would include the frequency of Managed Growth Target negotiations, and how many forward years Managed Growth Target estimates encompass. ***RUN holds major concerns over the annualisation of negotiations***, in terms of its impact upon medium-and-long-term planning certainty, and the magnitude of administrative burden and resource diversion upon smaller/regional providers.

RUN notes the cumulative cost of compliance that continues to grow with no corresponding provisions made in funding models. ***The annualised negotiation of Managed Growth Targets would involve significant resourcing from providers that otherwise diverts from core business*** – a circumstance that burdens smaller/regional providers far more acutely than those universities operating in scaled urban markets who may more readily absorb the procedural outlay.

RUN is also concerned over the resource diversion required by ATEC/the Department in coordinating an annualised negotiation process for all Table A providers. In terms of institutional strategic planning, yearly Managed Growth Target allocations, accompanied by two forward years of estimates, denies providers the certainty to plan and invest in new offerings, facilities, staff or growth areas whose pay-back period exceeds the terms of certainty afforded by the short windows of negotiated forecasts. RUN is concerned that this would disincentivise the medium/longer-term strategic planning and investments required to meet 2050 targets, particularly amongst those smaller/regional universities whose sub scale environments compel a far more cautious approach to expenditure and investment than larger metropolitan universities with robust balance sheets. ***This may inevitably see a widening of tertiary attainment, experience, and opportunity between the students of regional and metropolitan Australia.***

RUN acknowledges that longer terms of negotiated Managed Growth Targets for each provider does carry some restrictions that may limit provider response to rapid/unforeseen growth. However, on balance RUN would support longer terms of negotiated Managed Growth Targets as an important measure to facilitate planning and investment certainty, and to minimise the high degree of administrative burden and resource diversion required of smaller/regional universities in the negotiation process. ***RUN does not support an annualised negotiation regime, and instead recommends three-to-five year negotiated Managed Growth Target funding agreements.***

# SYSTEM-WIDE POOL & MANAGED GROWTH TARGETS

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## **I RUN OPPOSES**

*the annualised negotiation of Managed Growth Targets.*

To support greater flexibility within longer (three-to-five-year) negotiated funding agreements and given the intention to count students based on EFTSL, **RUN argues the proposed hard cap should be replaced with a negotiated tolerance range.** RUN student cohorts tend to differ from typical metropolitan/national cohorts and are characterised by higher proportions of part-time student enrolments, as well as higher proportions of equity cohorts and mature-age cohorts with existing care-giver and employment obligations. This makes the EFTSL enrolment characteristics of RUN cohorts much more difficult to accurately forecast and more susceptible to post-enrolment change as students adjust their load, or defer their study.

## **I RUN RECOMMENDS**

*that hard Managed Growth Target caps be replaced with a negotiated tolerance range.*

Additionally, the social missions of many providers – particularly regional universities – often require pivots to support upskilling and innovation. For example, regional universities responding to Australia’s transition to zero emissions and the major industrial investments taking place in Australia’s regions will require a degree of flexibility in tertiary capacity.

Finally, there is a significant risk in the proposed approach resulting in universities setting internal targets below their Managed Growth Targets to provide a safety margin between internal and ATEC targets in case the EFTSL achieved exceeds the EFTSL estimated. Such actions would result in the lessening of achieving the national equity growth targets. RUN recommends that hard Managed Growth Target caps be replaced with a negotiated tolerance range.

## **I RUN RECOMMENDS**

*three-to-five year negotiated Managed Growth Target funding agreements.*

## **Operating rules and procedures for Managed Growth Target negotiation**

As an overriding principle, RUN believes that nuance be applied wherever possible to account for the differences that exist between regional and metropolitan Australia in negotiating Managed Growth Targets, noting that regional circumstance is often washed out by national circumstance. For example, skills shortage areas and severities in Australia’s regions (or in certain regions of Australia) often do not reflect a national assessment of skill shortage areas or severities.

There is also often misalignment between national priorities/objectives and the priorities/objectives of different regions. Similarly, the profiles of regional student cohorts differ quite markedly from a national/metropolitan student cohort. For instance, there are distinct differences between university student cohorts in study mode, attendance type, equity background, study/offering choice, age, academic preparedness, entry avenue, etc... which will be relevant in a negotiation setting.

## **I RUN BELIEVES**

*that nuanced understanding is required to account for the differences that exist between regional and metropolitan Australia.*

More specifically, RUN would urge consideration of a range of factors linked to provider performance/student demand when negotiating Managed Growth Targets with individual universities. Some of these are explored below.

Where available Managed Growth Target allocations are scarce, priority should be given to providers servicing communities that host lower rates of tertiary attainment, and/or lower socio-economic communities, particularly where alternative provider coverage is limited/non-existent. This would provide greater incentive and certainty for these providers to invest in the courses, supports and aspiration-building/community outreach that may attract and retain more equity students.

In communities with lower rates of tertiary attainment, and no/limited alternative provider

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choice, priority should be given to universities seeking to break a demand saturation deadlock via an expansion of preparatory/enabling cohorts who will eventually pipeline through to degree-level study (recognising that some regions of Australia demonstrate met-demand at a degree level, but unmet demand at an enabling level).

Priority should be given to providers servicing communities that exhibit higher levels of skills shortage.

The consultation paper raises the prospect that Managed Growth Targets may be allocated on the basis of 'other market structure issues (e.g. the need to establish sustainable scale for a new provider)'. RUN recognises this need too, but would argue that there are already existing providers that operate in sub-scale environments (who are less sustainable than larger scaled providers) who would similarly benefit from prioritised Managed Growth Target allocations.



# DEMAND-DRIVEN FUNDING FOR EQUITY STUDENTS

## **Broader Issues for consideration**

RUN supports the continuation of demand driven funding for First Nations students without being subject to any limits while being funded separately to Managed Growth Targets. RUN acknowledges that this is the right thing to do and would be an important policy asset in Australia pursuing the targets of the National Agreement on Closing the Gap.

RUN supports demand-driven funding for equity students that guarantees a fully funded Commonwealth Supported Place (CSP), importantly though, at the university of their choice.

## **Defining eligibility of equity student implementation issues**

RUN supports a nationally consistent approach to how disability is defined.

RUN urges consideration for how an equity classification would be consistently defined, identified, and have its currency maintained over the life of a student's enrolment (for instance, if a student develops a disability, or identifies as First Nations, or relocates to/from a regional area and/or low-SES location at some point during their studies following enrolment). ***The issue of point-in-time assessments of equity classification eligibility will require careful consideration.*** Responsibility over equity classification also requires further consideration and clarification. For instance:

- How might students from low-SES locations be verified to confirm they are indeed financially constrained – will data from Centrelink or the Australian Taxation Office be utilised, and who would hold responsibility for verification?
- How might the requirement of universities means-testing students seeking Government assistance for compulsory placement obligations interact with this process?

RUN also notes the challenges in verifying the accuracy of data associated with equity cohorts. RUN seeks further clarification on what is the role of Tertiary Admission Centres (TACs), universities and Government in dealing with fraud/misrepresentation and proving

equity status, for instance those that are linked to the address of students/potential students.

## **Not disincentivising equity students**

RUN holds major concerns about equity students who cannot be guaranteed a place at their chosen university, particularly for students in regional settings.

## **DISTINCT REGIONAL STUDENT COHORTS**

Regional cohorts are more likely to enter university as a mature age student, studying part-time, studying online, and already engaged in the workforce as a part or fulltime wage earner. This means they are more likely to have dependents and care duties, a mortgage, and/or employment responsibilities. They are far more likely to be representative of equity group profiles such as low socio-economic, Indigenous, and/or regional/remote backgrounds, and are more likely to enter university via a non-ATAR pathway. Regional students are less likely to come from homes with academic role models and are more likely to require financial and/or academic support during their studies. As a result of these complex cohort characteristics, there are greater pressures upon regional students successfully completing their studies.

RUN believes that the rationale sitting behind the policy of equity students being guaranteed a fully-funded CSP – but not guaranteed at a university of their choice – carries an underlying presumption that students are typically school-leavers seeking an on-campus experience in an urban setting with the requisite physical and financial mobility to react to provider reallocation. This does ***not reflect regional circumstance, nor does it account for the needs and realities of many metropolitan equity students for that matter.*** Students living with disability, or with limited financial means, or with care-giver responsibilities, or existing employment obligations, often have ***no practical alternative in university from the one they purposefully elect in the first instance, whether they be***

# DEMAND-DRIVEN FUNDING FOR EQUITY STUDENTS

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*regional or metropolitan-based, or equity or non-equity students.* Understandably, for many metropolitan students living in an urban catchment that is well serviced by multiple universities, there may be little disincentive/disruption to that student being redirected to an alternative provider with unmet allocation, should their initial choice in provider be already at enrolment cap. However, many regional students simply do not have the means, nor the desire, to uproot and relocate to another location to study their preferred/similar course at another provider, should their local regional university already be fully enrolled. For many regions in Australia, alternative providers may be located hundreds of kilometres away. ***This will not be a disincentive to study, it will be a prohibition to study.***

RUN notes the consultation paper's suggestion that;

*"In instances where all universities in a student catchment area have exhausted their MGTs but there is unmet demand from prospective equity students, the ATEC could increase MGTs for catchment area universities, redirecting unused supply from elsewhere in the system or through an increase in the total number of places available in the system should all places be filled."*

However, RUN would deem this assurance to be weaker than what is required for an issue of such potentially consequential impact for regional students, equity or otherwise. Students preference their chosen university for many reasons – geography, course, convenience, support, reputation, graduate outcomes, compatibility with employment/family obligations – but essentially students themselves are far better placed at determining their own personal circumstance than Government. ***Modern Australia has achieved a level of prosperity and proficiency where something as important as a student's freedom of choice can surely be preserved.*** RUN further notes that the experience of the Jobs Ready Graduates program demonstrated the futility of interventionist policy design in higher education. RUN urges consideration

of an alternative, simpler policy approach to allocating growth and CSPs in a way that preserves the freedom of student choice, and better recognises the study needs and realities of equity student cohorts.

## **I RUN RECOMMENDS**

*consideration of an alternative, simpler policy approach to allocating growth and CSPs.*

### **State-based tertiary admission centres**

RUN believes that the proposed Managed Growth Funding system as currently proposed may require a single TAC/clearing house that replaces state-based TACs.

## **I RUN BELIEVES**

*the proposed Managed Growth Funding system as currently proposed may require a single TAC/clearing house that replaces state-based TACs.*

The Managed Growth Funding System cannot be overly reliant on a TAC (or TACs) given the growing variability of student enrolment pathways via alternative mechanisms, particularly within regional contexts. RUN would seek further clarification about the alignment between the new Managed Growth Funding System and existing admissions processes, and how it may be managed, including:

- How will direct applications be managed given nobody other than the applicant has full visibility on all their applications?
- How is the equity student category captured/verified in order to assess eligibility (e.g., do all of the TACs consider this in a standard way and are there privacy considerations/limitations in universities being able to administer this themselves)?
- Does regional equity classifications include metropolitan students applying to regional campuses? Or similarly, regional students applying to metropolitan campuses?
- How will catchment areas be defined for students unable to enrol according to their initial preferences? Does the

# DEMAND-DRIVEN FUNDING FOR EQUITY STUDENTS

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TAC preferencing system require modification?

- How will 'offered a similar place' be defined? Would it only be for a like-for-like course or can second or third preferenced universities make bespoke/ packaged offers? How might this work for fully online applicants?
- How might the timing of student preferences be considered for universities that offer alternative calendar modes of study?
- What will be the process for universities informing ATEC/TAC(s) of the number of remaining places in capped-place programs at any point in time, and how might equity student applicants be managed or prioritised?

## ***Unintended consequences for demand driven equity students***

RUN reiterates its strong concerns around the erosion of a student's choice and the rights and needs of an equity student who cannot be guaranteed a place at their chosen university, particularly for equity students in regional settings. In practice, this may prevent regional/ equity students from participation in Australia's higher education system.

## ***Catchment areas***

RUN finds the use of catchments in this policy application to be highly problematic for regional contexts, and urges the consideration of an alternative, simpler policy approach to allocating growth and CSPs in a way that preserves the freedom of student choice, and better recognises the study needs and realities of equity/regional student cohorts. RUN views the use of catchments in allocating 'spillover' university offers to primarily be a construct suited to a metropolitan application, whereby students typically have viable access to a robust selection of providers.

## ***RUN RECOMMENDS***

*consideration of an alternative, simpler policy approach to allocating growth and CSPs.*

Many regional universities operate a dispersed national campus model servicing

multiple regional locations, with the obvious complications in managing such a policy doctrine falling disproportionately to regional providers. ***Many of the communities served by RUN universities are not "geographic locations with limited numbers of universities", rather they are geographic locations with no alternative access to university services.***

The proposed catchment approach also complicates the enrolment of those students who choose to study online, for reasons related to employment/family/disability/geographic circumstance. RUN universities, by nature of their social missions and geographically dispersed cohorts, have historically been prioritised by students seeking a distance education, and more recently, by students seeking a highly specialised and accessible online, non-campus education. As such, RUN's leading expertise and reputation in high-quality online study has grown over time to now reflect an approximately 50 per cent composition of RUN's domestic cohorts electing to study online, from locations right across regional and metropolitan Australia.

RUN holds great concerns over the application of catchment-based CSP allocation that may potentially undermine the supports, expertise, reputation and market share that RUN universities have heavily invested in over many years, via a potential impact upon online cohorts who underpin the viability of many regional campuses. The highly-dispersed nature of regional university catchments reflects their distinct social missions, and differs to that of typical metropolitan university catchments who have historically tended to service the dense population bases of their localised urban catchments. As such, RUN believes that a more nuanced approach to catchments should recognise the broad geographic and nationally-accessible nature of regional university service delivery and grant regional universities a national catchment area.

## ***RUN RECOMMENDS***

*that regional universities are granted a national catchment area.*

# TRANSITION AND INSTITUTIONAL SUSTAINABILITY

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## ***The length of transitional arrangements***

RUN supports the implementation of longer-term transitional arrangements to minimise the fiscal impact upon institutions who may have lesser capacity to absorb transitional variabilities. This acknowledges that for many smaller/regional universities, fewer levers exist to react to sudden or unexpected reductions in enrolments, therefore longer transitional timeframes provide greater operational and funding surety. The timeframes of transitional arrangements ought to be clearly understood by all in the sector.

### **I RUN RECOMMENDS**

*the implementation of longer-term transitional arrangements.*

## ***The level of the funding floor***

RUN supports the principle of a funding floor that reacts appropriately over time to rising or falling enrolments, as an important feature in providing greater sectoral certainty. Considering the significant funding shortfalls that many universities may experience with impending restrictions upon international student restrictions, RUN would consider that a funding floor set to the lower end of the scale to be less of a financial readjustment in the short-medium term. RUN believes that a funding floor set to the lower end of the scale would be appropriate in the longer term as well.

### **I RUN SUPPORTS**

*the principle of a funding floor that reacts appropriately over time to rising or falling enrolments.*

## ***Limits on the funding floor***

To support greater flexibility within longer (three-to-five-year) negotiated funding agreements, RUN would urge the consideration of a tolerance range within the negotiated Managed Growth Target, rather than a hard and inflexible cap. The lower bound of this tolerance range could be established as the funding floor. In this case, RUN believes that the funding floor, and tolerance range should adjust over time to rising or falling enrolment. RUN believes that a funding floor – one which

adjusts over time to rising or falling enrolments – should remain a permanent feature of the managed growth funding system.

### **I RUN BELIEVES**

*a funding floor – one which adjusts over time to rising or falling enrolments – should remain a permanent feature of the managed growth funding system.*

RUN acknowledges that declining enrolments are not always linked to provider performance or reputation. Many regions of Australia, for instance, may cycle through periods of rapid economic/industrial development and high employment, which are factors (beyond institutional control) that may suppress university participation rates. A university with declining rates of enrolment – even over multiple years – still has a responsibility to maintain students, staff and specialised expertise, facilities and the meeting of social missions. RUN believes that the new system should afford an ongoing, base level of operational surety to weather fluctuations in enrolment patterns.

## ***The funding floor and access plans***

RUN believes that all current Table A providers are already continuously seeking to improve the quality and range of their offerings to boost enrolments and meet their social missions. Similarly, RUN believes that University Councils/Governing bodies are already driving the strategic direction of their respective institutions to achieve the same ends.

RUN believes there would be no value for (only) those universities accessing the funding floor to prove their strategic intent in meeting their Managed Growth Targets. RUN believes that all universities – whether they are accessing the funding floor or not – should be open and transparent about how they are using public investment to meet their target obligations and social missions.

Managed growth funding that will be underpinned by mission-based compacts need to be based upon how each provider intends to meet their allocated targets – presumably

# TRANSITION AND INSTITUTIONAL SUSTAINABILITY

via individual 'action plans'. *For consistency, transparency and sectoral integrity, RUN would support the 'action plans' of all providers be made public following the conclusion of each Managed Growth Target negotiation/allocation.*

RUN proposes this process follow the [Access and Participation Plan](#) model utilised by the Office for Students in England, whereby all higher education providers set out how they intend to meet their respective social missions and targets in improving participation and opportunity amongst equity student cohorts. RUN believes this may be an approach and model worthy of further consideration for Australian contexts. There may already be learnings that can be made from Australian universities who have benefited from their access to the Higher Education Continuity Guarantee (HECG) and their requirement to produce a HECG statement.

### ***Funding cap transition arrangements***

Any student who has the ability to succeed at university, *should be empowered, funded and supported to study at the university of their choosing at the time of their choosing.* Rather than transitioning students away

from providers who have a proven history of exceeding (post 2017) enrolment caps, those providers should be supported appropriately and immediately going forward.

### ***RUN RECOMMENDS***

*that providers who have a proven history of exceeding enrolment caps be supported appropriately and immediately going forward.*

### ***Implementation issues for transitional arrangements***

RUN recommends that enrolment bases for the 2026 commencement of Managed Growth Funding are set based on historical observations of enrolment levels, rather than those enrolment levels achieved in the preceding year of 2025, noting that enrolments can be volatile and unrepresentative in any one year.

### ***RUN RECOMMENDS***

*that enrolment bases for the 2026 commencement of Managed Growth Funding are set based on historical observations of enrolment levels*





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