

NEEDS-BASED FUNDING

IMPLEMENTATION CONSULTATION PAPER

AUGUST 2024





ABOUT THE REGIONAL UNIVERSITIES NETWORK

The Regional Universities Network (RUN) welcomes the opportunity to comment on the "Needs-based 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

RUN strongly supports Needs-based Funding for students in Australia's university sector recognising the necessity to build greater aspiration among, and support for, underrepresented groups to succeed at university. RUN universities hold the strong belief that all aspects of Australian society, industry, and economy will benefit from a graduate population that more accurately reflects Australia's demographic composition.

RUN universities proudly host the highest concentrations of equity cohort students in the sector. This disproportionately high level of equity cohort stewardship is not just a result of RUN universities being based in some of the more underrepresented regions of Australia. It is also the direct result of highly-inclusive missions that deliberately position RUN universities to engage with – and support – students from historically underrepresented backgrounds across Australia. As such, RUN universities hold high levels of expertise in the aspiration-raising and outreach, participation, support and success of students from underrepresented backgrounds. RUN is eager to contribute to a model of Needs-based Funding that can most effectively unlock the academic and workforce potential stored within the regions of Australia.

RUN provides the following reflections on the Needs-based Funding Implementation Consultation Paper. More detailed considerations are provided within RUN's responses to the consultation paper's questions in latter sections of this submission.

Broadly speaking, the consultation process would benefit from greater detail clarification of key aspects of the proposed Needs-based Funding model, to allow for more considered and meaningful sector feedback.

RUN strongly supports a mechanism that allocates per-student Needs-based Funding appropriately, operating within a broader funding system that preserves the agency of a student to choose the course, provider and study location/mode that best suits their needs and aspirations.

RUN strongly advocates for an additional category of Needs-based Funding being reserved for regional students studying at regional universities, alongside that afforded to students from low-SES, First Nations and disability backgrounds. Additional funding for students at regional campuses should be uncapped, in keeping with the Accord's 'demand driven for equity' agenda.

RUN believes that a regional loading is a valid provision and should complement an additional category of Needs-based Funding reserved for regional students (rather than being a substitute for it). Regional loading must not be allocated on a per-student basis, recognising the problems associated with acquitting the fixed, higher costs of regional tertiary service delivery against a fluctuating pattern of regional student enrolments.

The proposed Need-based Funding mode will most likely curtail many aspects of current university decision-making. RUN believes that universities themselves are much better placed to make evidence-based judgements on the evolving localised needs of their unique equity student cohorts than prescribed, centralised, and often metropolitan-centric, arrangements.

Greater consideration must be given to how the Needs-based Funding system would respond to students who move in and out of equity categories at different points in time throughout their studies.

RUN opposes a Needs-based Funding system based upon Equivalent Full-time Study Load (EFTSL) allocations. RUN supports a system of allocation linked to student head count as this would yield stronger outcomes for underrepresented students, particularly in regional areas.

Students at the intersection of multiple categories of underrepresentation face cumulative challenges to their tertiary aspiration, participation, engagement, and completion, and this should be accounted for in the eligibility for, and allocation of Needs-based Funding.

OVERVIEW

RUN does not support the proposed model of scaled per-student needs-based funding allocations and regards the utilisation of an Australian Tertiary Admission Rank (ATAR) in the design and assessment of scaled allocation to be overly complicated and unsuitable for application. Relying upon ATAR as the primary indicator of academic preparedness carries an underlying assumption that the default participants of the higher education system are young school-leavers, which does not reflect the enrolment profiles of students enrolled at regional campuses. RUN argues for a simplified flat rate loading approach instead.

RUN does not support the proposed Framework of Equity Support Activities (the Framework). The Framework appears to be overtly prescriptive in nature, subversive to university decision-making, and distrustful of the judgements made by the academic/support experts on the ground at each university. RUN believes an outcome-based framework for funding accountability is a more appropriate approach.

Greater clarity is required as to how "*indirect supports*" funded by Needs-based Funding allocations will be defined.

RUN strongly opposes the idea that Needs-based Funding cannot be used for anything that providers are already obligated to provide. For regional universities, the heightened cost of providing existing core services is linked to the academic and support needs of equity-majority cohorts.

RUN holds concerns with the potential consequences of linking "*a provider's improvements in equity student success from Needs-based Funding*" to the outcome of a provider's "*requests for additional Managed Growth Targets, managed demand driven places for equity students*" and in "*negotiating compacts*". This would appear to afford significant growth advantage to large and well-resourced metropolitan providers who will be able to demonstrate greater improvements in equity student success, given such providers will enter the new system from a much lower

base of equity student success/volume and therefore have greater room for improvement. Greater consideration must be given to the accountability mechanisms "for outcomes that demonstrate support is effective and fit-for-purpose", in an environment where outcomes are overwhelmingly influenced by external variables beyond provider control.

The proposed model focusses upon supporting students already enrolled in the system, with no account for aspiration-building or outreach. RUN calls for clarity as to how crucial higher education aspiration-building and outreach activities will be funded to help realise future growth targets via greater participation of underrepresented groups.

The Department of Education must consult with universities, utilising their expertise, to understand what relevant data is available and how it can be used to yield data-informed improved practice.

RUN cannot support the magnitude of regulatory burden that would be associated with satisfying the reporting requirements of the proposed Needs-based Funding system. RUN recognises that this burden would fall disproportionately upon those smaller/regional universities servicing the highest concentrations of equity cohorts, with these universities being among the least able to absorb the workloads required to satisfy accountability requirements without further diverting resources and staff from core support services for students.

RUN holds concerns that the proposed Australian Tertiary Education Commission (ATEC) will lack the structure, expertise, resources and independence to appropriately manage the magnitude and complexity of the proposed Needs-based Funding model.

Core university functions of infrastructure and research are missing from the proposed Needs-based Funding (and Managed Growth Funding) models. RUN holds concerns for how these crucial provisions will be accounted for in a reformed system.

ELIGIBILITY FOR NEEDS-BASED FUNDING

RUN believes the existing criteria that identifies students as belonging to any (or a combination of) the four key recognised equity cohorts as being appropriate to trigger the allocation of Needs-based Funding.

Definitions of equity students

There is a need for greater clarity around how the Needs-based Funding system would consistently define, identify, and retain currency of equity student classifications. The definition of disability, for instance, is an important consideration that will need to be settled appropriately. Consideration must also be given to how the Needs-based Funding system would respond to students who move in and out of equity categories at different points in time throughout their studies (for example, a student who develops a disability part-way through their studies, or moves to (or from) a regional or low-SES location, or who identifies as First Nations). The issue of point-in-time assessments of equity classification eligibility will require careful consideration.

Regional Loading

RUN strongly supports the inclusion of a dedicated regional loading in the proposed Needs-based Funding model, subject to the quantum of the loading being increased given the current amount falls well short of what is required. The regional loading contributes towards the setting of regional academic experiences, offerings, and opportunities that are more closely aligned to that afforded to metropolitan Australians. However, RUN does not support the allocation of regional loading on a per-student basis.

I RUN OPPOSES

the allocation of regional loading on a per-student basis.

The rationale for regional loading, as the consultation paper rightly articulates, “*recognises the higher costs regional providers face to deliver courses in regional Australia*”. ***Many of the higher costs associated with regional service delivery are the fixed costs***

¹ Universities Australia, 2022 Higher Education Facts and Figures June 2022, accessed via: https://universitiesaustralia.edu.au/wp-content/uploads/2022/09/220207-HE-Facts-and-Figures-2022_2.0.pdf on 01 August 2024

of operating dispersed campuses across thin regional markets (for instance, the fixed costs of capital, utilities, staffing etc...). A system of per-student regional loading in an environment of fluctuating regional student enrolments could never accurately offset the fixed higher costs of regional delivery. This anomaly has the potential to cause unintended consequences that may contribute to a further widening of tertiary outcomes between regional and metropolitan Australia. Nor should per-student regional loading be seen within the narrow scope of existing to meet the costs of learning/teaching delivery alone. Appropriate and equitable regional service provision extends into many other aspects of tertiary experience that would otherwise go unfunded.

RUN believes that regional loading should be in addition to a designated equity category of needs-based funding that applies to regional students studying at regional universities, rather than being a replacement for it. This approach would account for the heightened attrition rates among the students of regional and remote Australia than the national average (as cited by the consultation paper) which is a level of attrition that exceeds that experienced by low SES cohorts nationally. It would also account for the persistently stubborn attainment gap that exists between regional and metropolitan Australia, and the national interest imperative of achieving tertiary attainment parity between the two.

*Regional Australians remain approximately half as likely to attain a tertiary degree by age 35 as metropolitan Australians*¹. There is a strong case for regional students to secure their own designated category of Needs-based Funding in addition to regional loading provisions.

I RUN BELIEVES

that regional loading should be in addition to a designated equity category of needs-based funding.

I RUN RECOMMENDS

creating a designated category of Needs-based Funding for regional students.

ELIGIBILITY FOR NEEDS-BASED FUNDING

EFTSL vs Headcount

Regional universities enrol a significantly higher proportion of part-time students who are also more likely to come from underrepresented backgrounds. *Providing needs-based funding on an EFTSL basis works against students identified as having the most significant challenges to retention and completion*, and who have likely been previously underserved in educational settings. RUN opposes a Needs-based Funding system based upon EFTSL allocations. Rather, RUN supports a system of allocation linked to student head count as this would yield stronger outcomes for underrepresented students.

RUN OPPOSES

a Needs-based Funding system based upon EFTSL allocations.

RUN RECOMMENDS

a Needs-based Funding system based upon student head count.

RUN universities experience a double disadvantage in supporting equity students:

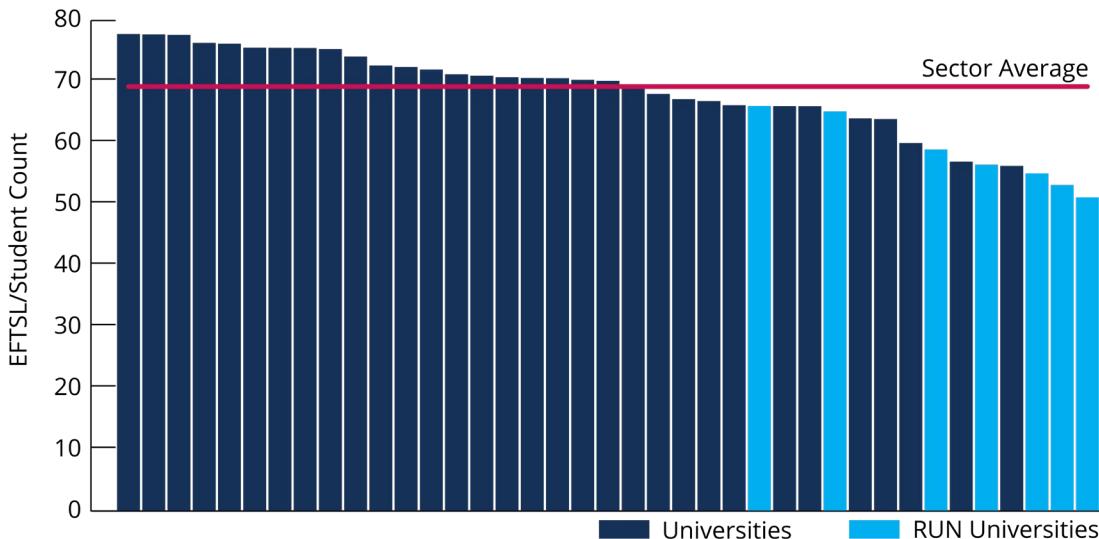
1. regional university students often have increased support needs due to higher rates of socio-economic disadvantage – a dynamic which manifests in reduced study load.
2. because of the reduced study load, RUN universities receive less funding per student to support them.

The proposed EFTSL-based approach to Needs-based Funding assumes that a part-time student would only use a fractional share of resources. This is a flawed assumption.

The evidence shows that part-time students access support services at rates similar to, or higher than, full-time students. In 2022 for instance, one RUN university found that their part-time students accessed an average of 11 student support services, while full-time students utilised just below five services. RUN universities, as shown below in Figure 1., are much more likely to have a lower EFTSL to head count ratio than other Australian universities.

Regional universities with multiple campuses also face the compounding effect of having to duplicate the range of student services across separate thin-market locations to ensure that any student can access the support they need where they are. These differences in student profile and campus distribution mean that regional universities face compounding challenges in maintaining consistent and equitable levels of student support, when compared to large metropolitan universities. Given universities provide services regardless of a student's study load, and students attending part-time stand to benefit the most from access to additional services, *the proposed EFTSL-led Needs-based Funding model falls short in allocating the necessary resources for its intended purpose.*

Figure 1. 2022 EFTSL to Student Head Count



NEEDS-BASED FUNDING CONTRIBUTION AMOUNTS

RUN notes the consultation paper does not propose a methodology for determining reasonable costs to inform Needs-based Funding allocations, which prevents the opportunity to provide more meaningful feedback to the consultation process.

Students who belong to multiple categories of disadvantage experience compounding challenges to their academic participation, engagement, and completion²³. The Commonwealth Government's 2012 Review of Funding for Schooling (the Gonski review) investigated the compounding effects of disadvantage on academic engagement and performance in Australia's schooling system and made findings and recommendations that are relevant to a higher education context. The Gonski review found that complex interactions exist between factors of disadvantage, and students who experience multiple factors are at higher risk of poor performance (Finding 20⁴).

The Gonski review identified "*the most effective way to address the impact of concentrations of disadvantage is to allocate additional resources, over and above the base level, to schools where disadvantage is more concentrated, so they can invest in strategies to assist these students*". A recommendation (Recommendation 5) was promoted by the Gonski review in specifically addressing the cumulative impacts of disadvantage:

"Significantly increase support to schools that enrol students who experience multiple factors of disadvantage"

A genuine emphasis on equity-driven policy via the design of an appropriate Needs-based Funding formula should not recognise equity cohorts in isolation, but should seek mechanisms to address the compounding impacts of disadvantage. Cumulative disadvantage should not be treated as an opportunity to realise cumulative savings within the Needs-based Funding system.

Students who sit at the intersection of multiple categories of underrepresentation should have the compounding effects of disadvantage accounted for in the allocation of Needs-based Funding.

STUDENTS AT RUN UNIVERSITIES ⁷

As a proportion of total domestic students studying at Australian universities, RUN universities enrol:

- 28% of all regional/remote students.
- 23% of all First Nations students.
- 20% of low-SES students.
- 13% of all students living with a disability.
- 12% of all domestic students nationally.

Students at RUN universities are 2.5 times more likely to be both First Nations and Low SES, or nearly twice as likely to be Indigenous and living with disability or living with disability and Low SES.

- 48% of RUN students study online.
- 49% of RUN students study part-time.

2 Bennett, D., Coffey, J., Bawa S., Carney, D., Dockery, A. M., Franklyn, K., Koshy, P., Li, I. W., Parida, S., & Unwin, S. (2022). Ameliorating disadvantage: Creating accessible, effective and equitable careers and study information for low SES students. National Centre for Student Equity in Higher Education. Accessed at <https://www.ncsehe.edu.au/wp-content/uploads/2022/11/2022-NCSEHE-BennettCoffey-Final-Formatted.pdf> on 1 August 2024

3 Delahunty, J. (2022). 'You going to uni?' Exploring how people from regional, rural and remote areas navigate into and through higher education. National Centre for Student Equity in Higher Education. Accessed at https://www.ncsehe.edu.au/wp-content/uploads/2022/02/Delahunty_UOW_EquityFellowship_FINAL.pdf on 1 August 2024

4 Gonski D, Boston K, Greiner K, Lawrence C, Scales B and Tannock P (2011) Review of funding for schooling: final report, Department of Education, Employment and Workplace Relations, Australian Government. Accessed at <http://www.dese.gov.au/school-funding/resources/review-funding-schooling-final-report-december-2011> on 31 July 2024.

5 Ibid.

6 Ibid.

7 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

SCALING FOR ACADEMIC PREPAREDNESS

RUN does not support the proposed model of scaled per-student Needs-based Funding allocations and regards the utilisation of ATAR in the design and assessment of scaled allocation to be overly complicated and unsuitable for application.

RUN OPPOSES

the proposed model of scaled per-student Needs-based Funding allocations.

A scaled approach to per-student Needs-based Funding, based upon some measure of assumed 'preparedness', is a highly complicated policy mechanism that takes a deficit Government fiscal mindset towards the student cohorts that the system is seeking to attract and support.

Scaling has the potential to create unintended scenarios of low/zero funding for high achieving equity cohorts which reduces a provider's overall pool of Needs-based Funding thus diminishing an institution's ability to generate impact at scale.

Relying upon ATAR as the primary indicator of academic preparedness carries an underlying assumption that the default participants of the higher education system are young school-leavers, which does not reflect the enrolment profiles of students enrolled at regional campuses, who are more likely to be mature-age (25+) and entering via a non-ATAR pathway. This distinct regional context then raises broader questions about how to recognise, and consistently and equitably standardise, other 'preparedness' indicators such as international qualifications, VET qualifications, career experience, enabling pathways, and the intersection of these indicators with mode and type of attendance and/or age. ***On what basis would consistent and equitable decisions be made between the Needs-based Funding allocation of an ATAR-entry equity student requiring additional supports, and a non-ATAR mature-age equity student who would equally benefit from similar support provisions?*** These important considerations call the value and ease of a scaled approach into question.

The utilisation of ATAR as the primary indicator of academic preparedness, with a Needs-based Funding system designed to scale against it, will become increasingly incompatible with Australia's modernising workforces. Contemporary workforce (and student) expectations demand a life-long approach to learning and upskilling – a dynamic that is indifferent to any point-in-time assessment of aptitude at age 17. It is difficult to see how the proposed scaled allocation system will age alongside its student recipients in a fair and consistent manner.

While an ATAR goes some way in predicting student success, it is not a perfect measure of academic preparedness, and academic potential for school leaver cohorts. ***Often an ATAR can be little more than a point-in-time reflection of a citizen's childhood home and schooling environment.*** In adulthood, how would the scaled allocation system then respond to a low ATAR student who performs well academically and maintains a strong grade point average? Or vice-versa? Would per-student needs-based funding amounts be revisited and adjusted over time in response to ongoing individual student performance? RUN has overall concerns with a model of scaled Needs-based Funding calibrated to imperfect predictions of student completions. As such, RUN does not support a complex model of ATAR-based scaling being applied to Needs-based Funding allocations and argues for a simplified flat rate loading approach instead (that also accounts for compounding disadvantage). Such a standardised flat rate amount could be de-risked by ensuring robust processes are in place to both self-identify, and verify, an equity classification.

While against the principle, RUN acknowledges that a scaled approach to Needs-based Funding is the Government's prerogative. If this was to indeed eventuate, RUN would argue that additional scaling ought to be reserved for those in the highest category of identified need (including those who intersect multiple points of disadvantage), and that any such scaling occurs atop of a basic flat rate allocation.

FRAMEWORK OF ACTIVITIES

RUN supports the requirement upon providers to invest Needs-based Funding allocations in activities that support students to complete their degrees. However, RUN does not support the proposed Framework as the accountability/reporting mechanism to provide regulatory oversight to the expenditure of Needs-based Funding. While the consultation paper provides insufficient details of the Framework for stakeholders to provide more robust and meaningful feedback, it nonetheless appears to be:

- overtly prescriptive in nature,
- subversive to university decision-making, and
- distrustful of the judgements made by the academic/support experts of each university in working closely with their cohorts in responding to their unique, localised challenges and pressures.

RUN OPPOSES

the proposed Framework as the accountability/reporting mechanism to provide regulatory oversight to the expenditure of Needs-based Funding.

Each provider is best-placed to know the unique needs of their respective student populations, and they ought to be able to continuously innovate to refine those supports that best meet student need. RUN notes the consultation paper's assertion that the Framework would allow "scope for providers to respond to local community circumstances and opportunities", however the Framework essentially exists as a centralised response to individual/localised student need.

It should also be acknowledged that tethering Needs-based Funding to prescribed, evidence-based support activities does not go far enough in meeting the needs of students at providers who host majority equity student populations, such as RUN universities. For such providers, almost all aspects of service delivery incur additional costs (directly, or via diminished scale), not just specific support activities or programs such as those funded by the Higher Education Participation and Partnerships Program (HEPPP). All students benefit from

greater access to mainstream supports such as academic and support services. These services are not exclusively for equity students but are part of a university's core service provision. This should be accounted for in the allocation and expenditure of Needs-based Funding. RUN is supportive of Needs-based Funding being applied to direct student supports and evidence-based academic and inclusion support strategies but seeks further clarity on how "indirect supports" may be defined.

- Will this, for instance, include the provision of university infrastructure and facilities?
- Would there be scope for locally successful indirect supports to be included in the Framework, or will a centralised 'one-size-fits-all' approach be taken?
- How soon will the Australian Centre for Student Equity and Success (ACSES) undertake the work to define the scope of direct, academic and inclusion, and indirect supports?
- How much time will providers be afforded in responding to the Framework options in advance of the implementation of needs-based funding?

RUN would seek greater clarification on the consultation paper's requirement of verification to ensure that "*Needs-based Funding is not used by providers to deliver any good or service they are otherwise obligated to provide through existing legislation or any service that is otherwise reasonably funded through an existing support program*". The consultation process would benefit from more detail regarding what "*existing legislation*" means in this context, and whether this is inclusive or exclusive of the legislative requirements placed upon individual providers by their respective state-based Acts.

RUN strongly opposes the idea that Needs-based Funding cannot be used for anything that providers are already obligated to provide. For regional universities, the heightened cost of providing existing core services is linked to the academic and support needs of equity-majority cohorts. Needs-based funding must not be viewed as program specific funding, rather

FRAMEWORK OF ACTIVITIES

it should be viewed as a way for universities to leverage their already successful support schemes to achieve greater reach and impact.

■ RUN OPPOSES

the idea that Needs-based Funding cannot be used for anything that providers are already obligated to provide.

Universities already fund a range of student support programs through their core operations to meet their legal obligations to support students, and these compulsory requirements are ever increasing (e.g. the new Support for Students Policy and the imminent National Higher Education Code to Prevent and Respond to Gender-based Violence). *Limiting the use of the needs-based funding to both enhance existing offerings and establish new ones in response to legislation and regulation would be a retrograde step in supporting Australian students.*

RUN values the principle of university decision-making, informed by relevant local community and student context, that best suits the distinct needs of their unique student cohorts and would therefore argue that *universities are best-placed to make judgements upon how needs-based funding is split between direct, academic and inclusion, and indirect student supports.*

RUN cannot support the magnitude of regulatory burden that would be associated with satisfying the Framework's ongoing reporting requirements. This regulatory burden would undoubtedly fall disproportionately upon those smaller/regional universities servicing the highest concentrations of equity cohorts. These universities are among the least able to absorb the workloads required to satisfy accountability requirements without further diverting resources and staff from core support services for students.

RUN is concerned with the potential unintended consequences of linking "*a provider's improvements in equity student success from Needs-based Funding*" to the outcome of a provider's "*requests for additional*

Managed Growth Targets, managed demand driven places for equity students" and in "*negotiating compacts*". This would appear to afford significant growth advantage to large and well-resourced metropolitan providers who will be able to demonstrate greater "*improvements in equity student success*", given such providers will enter the new system from a much lower base of equity student success/volume and therefore have greater room for improvement. Those universities who have been historic stewards of underrepresented student cohorts and who have been investing and maximising outcomes for far higher proportions of equity student cohorts for many years would seemingly benefit less, given they arguably have less room for improvement in equity student success. Larger metropolitan universities also benefit from scaled budgets that enable them to provide greater volumes of financial scholarships to further support equity students. As occurs in school funding under the Gonski model, the Government should also consider a provider's "*capacity to contribute*" in assessing Needs-based Funding and other allocations. RUN celebrates any university that can improve equity student success, but available resources from all parts of the system must be distributed in a more needs-focussed way. It must prioritise those institutions who have demonstrated excellence in the provision of higher education to equity cohorts, recognising the resource asymmetries that distinguish them from large metropolitan providers.

RUN believes an outcome-based framework for funding accountability is a more appropriate approach, as it allows providers greater autonomy in determining what actual needs must be met to maximise student success. The requirement to choose support options from a prescriptive list (as characterised by the proposed framework) could cause limitations to relevance amongst specific students.

■ RUN BELIEVES

an outcome-based framework for funding accountability is a more appropriate approach than the proposed Framework.

DEVELOPING AN EVIDENCE-BASED FRAMEWORK

RUN supports *an approach to the Framework that is less prescriptive and allows greater university decision-making in the practice of localised support strategies*. RUN believes that universities themselves are best placed to make evidence-based and responsive judgements on the evolving needs of their unique equity student cohorts rather than prescribed, centralised arrangements. The sharing of best practice should be encouraged, and here the ATEC and ACSES should play a lead role. RUN also notes that the Australian Universities Accord Final Report recommended the establishment of a dedicated Learning and Teaching Council, which RUN would support as a body that ensures the identification and promotion of best practice learning and teaching models as a shared resource for the sector. It is important to acknowledge that different universities serve different cohorts under different social missions, so 'best practice' being applied at one provider may not necessarily translate to 'best practice' at another.

RUN acknowledges that all recipients of public funds ought to be subject to accountability mechanisms. However, RUN holds concerns over a punitive accountability approach to "*a provider's performance in delivering Needs-based Funding activities*" in terms of how this performance appraisal might impact "*other parts of the funding system*" including requests for additional managed demand driven places for equity students, setting Managed Growth Targets, and negotiating Mission-based Compacts. There must be an acknowledgement that most factors contributing to student non-completions (equity or otherwise) are non-academic and reside beyond the control of individual universities. In the context of regional cohorts – who are characterised by much higher proportions of equity students, including mature-age students already in the workforce and/or with carer responsibilities, studying part-time and/or online – the reasons for study withdrawal are overwhelmingly linked to finances and affordability of ongoing study

commitments (including unpaid placements), conflicting employment responsibilities, and care-giving obligations. Rarely are the reasons for withdrawal linked to quality of educational delivery and available supports.

CASE STUDY: STUDENT NON-COMPLETION INTERVIEWS.⁸

Like many providers, Charles Sturt University interviews students who withdraw from their courses to understand why they are leaving and what can be done to help them. In 2023, two thirds of Charles Sturt University students who withdrew from their studies reported financial, employment and caring issues as the reasons. Only two per cent stated that a poor educational experience led them to withdraw and only five per cent were transferring to a different university. The problem regional students face is not with the quality of education delivered by regional universities but with the unique economic challenges they face as regional students. Very often, regional students are the first in their family to attend university, and/or are from lower socioeconomic groups, and/or don't have the luxury of full-time study with family support. Yet income support payments for students are below the poverty line and means-tested out by even modest incomes. These challenges are exacerbated for students undertaking placements, especially regional students who often must relocate hundreds of kilometres from their homes, families and workplaces to complete this part of their course. The Government has responded in this year's Budget with a welcome announcement of some payments for students undertaking mandatory placements, but more needs to be done.

⁸ Brown, G. (2024). Addressing the drop-out rate of regional university students requires a more coordinated approach, Charles Sturt University, accessed at: <https://news.csu.edu.au/opinion/addressing-the-drop-out-rate-of-regional-university-students-requires-a-more-coordinated-approach> on 2 August 2024

DEVELOPING AN EVIDENCE-BASED FRAMEWORK

RUN therefore urges greater consideration to the approach taken towards accountability mechanisms *"for outcomes that demonstrate support is effective and fit-for-purpose"*, in an environment where outcomes may be influenced more by external variables beyond provider control. RUN would also urge that accountability mechanisms do not impose additional and avoidable regulatory burden, acknowledging the disproportionate effect that falls upon smaller/regional universities in doing so.

RUN BELIEVES

that accountability mechanisms should not impose additional and avoidable regulatory burden on Australia's higher education sector.

RUN would also urge nuanced consideration to how *"student success"* is meaningfully measured. Regional student cohorts – characterised by higher rates of equity representation, part-time enrolment and

typically older student profiles – are more likely to experience prolonged study completion, with disruptions and interruptions resulting from employment, caregiver and/or financial pressures. Metropolitan cohorts, on the other hand, are more likely to be non-equity school-leaver cohorts studying full-time. As such, the completion rates for regional students typically tend to lag behind those of metropolitan students after, say, five-, seven- or nine-years post commencement. Consideration must be given to the role played by disadvantage and cohort characteristics in the timeframes associated with student success.

In terms of supporting a student's successful transition into further study or employment, RUN would be open to considering and consulting on new programs that may seek to better achieve such outcomes. However, this activity would need to be funded additionally, and not cross-subsidised from a traditional package of support.



DELIVERY ORGANISATIONS AND OTHER PROGRAMS

Delivering student support

RUN seeks greater clarity regarding the types of organisations that may be suitable to deliver the support activities for identified student groups (including students studying in regional campuses) than that offered by the consultation paper. However, *the preservation of localised decision-making for universities is essential*, recognising that universities are best placed to decide the most suitable mechanisms for support delivery that meets the needs of their unique student cohorts. A requirement for regional universities to be bound to a national provider contracted to deliver centralised support services, for instance, could well yield sub-optimal results compared to the provider themselves making decisions about individual student support needs in situ.

First Nations Students

RUN believes there is a strong role to play for First Nations-led organisations in determining and delivering the most effective services to help First Nations students succeed at university.

RUN acknowledges that First Nations peoples must be able to make/inform decisions about matters that affect their lives, and that choice, participation and control are essential to the exercise of self-determination⁹.

Aspiration and Outreach

The consultation paper focuses the Needs-based Funding model exclusively on supporting students already enrolled in the system. It makes no provision for funding student aspiration-building or outreach activities which are currently (partially) supported via the Higher Education Participation and Partnerships Program (HEPPP), in line with one of its objectives to promote equality of opportunity in higher education by improving:

"outreach to widen aspiration and promote higher education to persons from a low SES background, persons from regional areas and remote areas, and Indigenous persons."

RUN calls for clarity as to how higher education aspiration-building and outreach will be funded to help realise future growth targets via greater participation of underrepresented groups.

Outreach activities are ongoing, with often long lead-times before results are realised. These activities can at times suffer from the effects of fluctuating and uncertain project-based funding. RUN calls for a more continuing and secure approach to aspiration-building and outreach to potential equity student cohorts. Attention should also be directed to the role that tertiary infrastructure plays in aspiration setting and widening participation, with an acknowledgement of the infrastructure resourcing challenges faced by those smaller/ regional universities who are the largest attractors of equity student cohorts.

RUN RECOMMENDS

that Needs-based Funding reform ensures there is more secure funding for aspiration-building and outreach activities.

An important consideration for outreach is the timeframes involved to view the success of initiatives. Outreach programs can have significant lead times, in some cases in excess of ten years prior to the commencement of university study (assuming that students transition immediately after high school – which is not the case for a large number of students). *The utilisation of longitudinal data will need to be adopted to better understand the success of outreach programs.*

RUN RECOMMENDS

greater utilisation of longitudinal data to better understand the success of outreach programs.

⁹ Australian Human Rights Commission, Self-determination and Indigenous peoples, 2024, accessed at <https://humanrights.gov.au/our-work/aboriginal-and-torres-strait-islander-social-justice/self-determination-and-indigenous> on 1 August 2024

IMPROVING DATA COLLECTION AND ANALYSIS

RUN believes the responsiveness of the higher education system and the degree of certainty and confidence afforded to its participants is underpinned by access to reliable, timely (live) and robust data. This includes prioritising better use of the data that already exists within the system ahead of additional systems of data collection, wherever possible. It is important that the Department play a key role in data collection by sharing their expertise and resources, being careful not to impose additional reporting/data collection burden upon providers. Additional reporting burden would fall disproportionately upon those smaller/regional universities servicing the highest concentrations of equity cohorts, who are least able to resource additional reporting requirements without further diversion from their core duties.

Where additional data is required, it is vital that a collaborative approach to data scoping, availability and collection is undertaken with universities to ensure the Government understands the operating reality of universities.

Current limitations to the access of timely and robust data will need to be carefully considered and addressed prior to the implementation of the new system. RUN recommends that the Department of Education consults with universities, utilising their expertise, to understand what data is available and how it can be used to yield data informed improved practice.

RUN RECOMMENDS

that the Department of Education consults with universities to understand what data is available and how it can be used to yield data informed improved practice.





**For further information please contact
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